

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,747

Tuesday October 8 1985

D 8523 B

IMF: Mexico seeks
new approach
to funding, Page 4

World news

Business summary

U.S. will not accept Hague rulings

The U.S. said it would no longer accept the compulsory jurisdiction of the World Court based in The Hague.

The State Department blamed the decision on the recent case brought against the U.S. by Nicaragua for the mining of its harbours.

The U.S. is expected to continue dealing with the court on cases involving international legal, commercial and border problems.

Jerusalem blast

Palestinian guerrillas blew up a five-storey building in Jerusalem. Twenty people were feared killed or wounded.

Refugees return

Thousands of refugees streamed back to Tripoli as Syrian troops occupying the war-stricken city strengthened their grip in strategic areas. Page 3

N. Korea accused

South Korea accused Communist North Korea of seizing 12 fishermen in what it said was an attempt to disrupt current World Bank and International Monetary Fund meetings in Seoul.

India strike clash

At least 75 people were injured and police rounded up 3,000 people as clashes broke out in the south Indian state of Kerala between supporters and opponents of a strike.

N Sea rig blow-out

One man was injured and eight injured when a gas blow-out ripped through an oil rig on the Halki-Bank field off Norway. Page 2

Army kills 4 rebels

The Israeli army said it had shot dead four Palestinian guerrillas after a militant across the occupied West Bank which had held months.

Zimbabwe arrests

Five senior Zimbabwe army officers, all former fighters for Joshua Nkomo, the main opposition leader, have been detained in the country.

Crash kills 10

Ten people died and 43 were injured in a chain of crashes on a crowded Californian motorway in Sacramento obscured by smoke.

Engineers jailed

A court in Lagos, Nigeria, sentenced two British aircraft engineers to 14 years in prison on charges of stealing an aircraft.

Sakharov invited

Austria renewed an invitation to Soviet dissident physicist Andrei Sakharov to live and work in the country after speculation might be allowed to emigrate. Sakharov was banished to internal exile in Gorky in 1980.

Cinema opening

South Africa is to allow cinemas in the centres of Johannesburg, Cape Town, Durban and Pietermaritzburg to apply for permits to admit blacks.

Chinese success

China's birth rate last year was down to 10.81 per thousand, the lowest natural rate since 1949 (there were major natural disasters in 1960-62). This meant that the end-of-year population was 1.035bn.

Ayers Rock battle

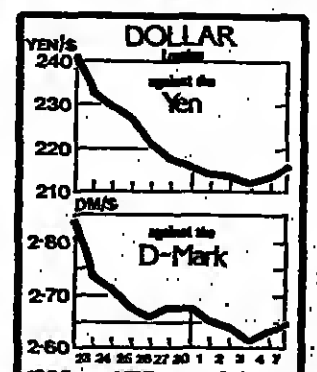
Australia's Northern Territory has launched a campaign against the federal decision to hand over Ayers Rock to aborigines, claiming it belongs to all Australians.

Banks act to push dollar lower

CENTRAL banks intervened in the foreign exchange markets in an attempt to forestall a rebound in the dollar's value after its heavy losses in recent weeks. Page 29

WALL STREET: The Dow Jones industrial average closed down 4.37 at 1,234.37. Page 38

DOLLAR was firmer in London, closing at DM 2.66 (DM 2.632). FF 8.08 (FF 8.035), SwFr 2.169 (SwFr 2.1605) and Y215.4 (Y213.4). On Bank of England figures the dollar's exchange rate index rose to 130.8 from 130.0. Page 31



STERLING was slightly weaker against the stronger dollar in London, falling 15 points to \$141.35. It rose, however, to DM 2.745 (DM 2.725), FF 11.42 (FF 11.37), SwFr 3.065 (SwFr 3.0575) and Y394.5 (Y392.0). The pound's exchange rate index rose 0.6 to 80.2. Page 31

GOLD fell \$1 on the London bullion market to \$326.75 and was also lower in Zurich at \$326.45. In New York the COMEX December settlement was \$330.50. Page 39

LONDON: Initial gains in equities were gradually eroded by a lack of enthusiasm. The FT Ordinary index closed 4.1 down at 10,124. Gilt last their recent upward momentum. Page 36

TOKYO: Institutional investors retreated to the sidelines but this loss of support was counteracted by speculative buying of blue-chips and high-technology stocks. The Nikkei-Dow market average gained 41.34 to 12,792.00. Page 38

FRANKFURT: Commerzbank's index reached its fifth peak during the past six trading sessions to close 12.7 up at 1,804.9. Page 38

BRITAIN is to join Luxembourg and the Netherlands in starting a programme to remove trade barriers blocking development of the EEC's internal markets. Page 20

U.S. FARM credit-bank system, seeking government help to overcome heavy loan losses, is expected to lose \$2.6bn in the next year. Page 4

ARAB investors paid \$12m for a stake of between a third and half in Mosatel, Haliqetara, Estabrook and Woden, U.S. financial services group that recently closed its zero-coupon government securities business at a cost of \$11m. Page 21

WEST GERMAN direct investment in Britain has almost doubled in two years, with a value just over DM 8bn (\$2.3bn) at the end of last year. Page 10

JAPANESE executives will be in charge of the day-to-day running of the joint small car plant to be built by Chrysler and Mitsubishi in Illinois. Page 21

PANTRY PRIDE, Florida-based supermarket group, increased its bid for Revlon, cosmetics and health-care group, to \$36.25 a share in the face of a \$36-a-share leveraged buyout offer which the company has agreed. Page 21

FERRUZZI, Italian agribusiness group, wants EEC backing for a plan to convert Europe's cereals surplus into ethanol, an additive used as a substitute for lead in petrol. Page 21

PIRELLI, Italian tyres and cables group, produced aggregate net profits in the first half of 1985 of more than \$36m, compared with \$32.3m a year earlier. Page 21

UK police prepared to use plastic bullets in riots

BRITISH police are now prepared to use plastic bullets and CS gas to quell violent urban riots if they get out of hand with rioters using guns, Sir Kenneth Newman, London's Police Commissioner, said yesterday.

Mr Newman said that police marksmen would have been prepared to use plastic bullets in Tottenham if the riot had not been eventually contained.

He said: "I wish to put all the people of London on notice that I will not shrink from such a decision should I believe it a practical option for restoring peace and preventing crime and injury."

Although Sir Kenneth was talking about plastic bullets in response to police coming under gunfire, Mr Newman said the use of such bullets if police found themselves being attacked by petrol bombs would have his full support.

before managing to bring the riot under control.

Sir Kenneth Newman, London's Police Commissioner, said yesterday that police marksmen would have been prepared to use plastic bullets in Tottenham if the riot had not been eventually contained.

He said: "I wish to put all the people of London on notice that I will not shrink from such a decision should I believe it a practical option for restoring peace and preventing crime and injury."

Although Sir Kenneth was talking about plastic bullets in response to police coming under gunfire, Mr Newman said the use of such bullets if police found themselves being attacked by petrol bombs would have his full support.

"It is absolutely vital that the police in London have the equipment they need," Mr Newman said.

The much tougher police methods are being considered for three reasons.

The riots this year - in Handsworth (Birmingham), Brixton (south London), Tulse (Liverpool) and Tottenham - have shown a pattern of violence which is getting worse in each successive riot than in the one before, contrary to the general pattern during the riots of 1981.

Secondly, the police are finding the riots much harder to bring under control quickly using traditional methods of lines of officers with shields, helmets and truncheons.

Uncontrollable rioting raises problems not only of general safety but also makes it difficult for fire and ambulance services to get in and out of the area effectively.

Continental European countries and the U.S. have long used attacking rather than defensive tactics in riots. Freezing cold water under pressure from water cannon is one of the West German police force's principal weapons against rioters.

Third, Sir Kenneth, the architect of many of the new community policing methods in inner cities, now believes that political agitators are planning and co-ordinating disturbances in areas of high ethnic minority populations.

"I am waiting for more detailed reports but they were probably of a Trotskyist or anarchistic outlook," he said. Police had known they were active for some time and knew who some of them were. They are from both within and outside London and they are both black and white.

As in most of the recent urban disturbances, Sunday's Tottenham riot was provoked by a policing incident. Police stopped Mr Floyd Jarrett about a motoring offence.

He was then charged with assaulting a police officer and was bailed to appear in court next Monday.

Police with a warrant searched the home of his mother, Mrs Cynthia Jarrett, for stolen property.

Continued on Page 20
Background, Page 11

Baker signals U.S. backing for boost in World Bank capital

BY PETER MONTAGNON AND STEWART FLEMING IN SEOUL

THE U.S. is prepared to support a move to increase the capital of the World Bank on condition that it clearly needs new resources to support a higher level of lending, Mr James Baker, the Treasury Secretary, said yesterday.

In a statement to the Development Committee of the IMF and World Bank, Mr Baker said: "If the demand for quality lending were to increase, (the World Bank) should be encouraged to respond effectively and resources should be made available to enable it to do so."

He added that the U.S. "intends to keep the capital needs of the bank under close review and we will carefully assess the adequacy of the bank's resources base as the demand for quality lending increases."

Mr Baker's comments appear to mark the end of a period of hostility towards the World Bank by the Reagan Administration.

They were welcomed by Mr A. W. Clausen, World Bank president. Commenting on the communiqué issued later by the IMF/World Bank Development Committee on which the U.S. is represented, Mr Clausen said that there is now unanimous support for an expanded role of the World Bank, the world's largest international development agency, and an agreement that "there should not be any constraint on our expanded lending programme by lack of capital."

He indicated that although the current sustainable lending rate of the World Bank is between \$33.5bn

and \$14bn, compared with actual lending commitments of \$11.4bn in its latest financial year, current plans suggest that within two years the process leading up to a general capital increase would have to be set in motion.

Mr Baker's comments were seen as having been designed in part to pave the way for the statement he is expected to make today outlining new steps which the U.S. would like to see aimed at increasing the flow of finance to developing countries.

The objective would be to stimulate their growth and facilitate continued medium-term efforts to improve their economic efficiency.

There is still considerable uncertainty about the precise steps Mr Baker will take, although British Government officials have suggested that they could involve doubling, to \$20bn over three years, World Bank lending in Latin America and moves aimed at encouraging between \$20bn to \$30bn of new commercial bank lending to the Third World over a three-year period.

Leading U.S. commercial bankers, however, were yesterday saying that although they welcomed in principle efforts to stimulate additional flows of funds to debt-ridden developing countries, major hurdles had to be cleared if the proposals they expect are to be realised.

One senior banker commented that notwithstanding Mr Baker's comments, the commercial banks would want to see clear statements of support both from the White House and the U.S. Congress for the Treasury Secretary's position.

They would also need clear commitments of support from European governments and commercial banks and convincing evidence that developing countries would make the structural adjustments in their economies to justify new commercial bank lending.

The banker added that if, as he expects, the commercial banks will be called on to work more closely with the World Bank in developing countries, the bankers will want to be convinced that the World Bank will insist that the policy reforms it calls for as a condition of its lending, are indeed implemented.

Another senior U.S. banker remarked that he would also like to see that "pariah nations such as Peru" who are turning their backs on both the commercial banks and the IMF and World Bank by saying they will decide what level of debt service they can afford, should be cut off from both official and private finance.

Paris to pump FFr 3bn into new jobs plan

BY PAUL BETTS IN LILLE

THE FRENCH Government plans to spend FFr 3bn (\$373.5m) on creating 10,000 to 15,000 jobs in the depressed industrial region around Lille and the Pas de Calais in northern France.

The money is to be spent on incentives to attract new business to the north, cutting social charges for newly created jobs in the area and boosting the funds available to the regional authorities and special companies set up to encourage new investment.

The area, which has been hard hit by closures and redundancies as the steel and coal industries have been restructured, will also be the site for new developments by nationalised industry.

The Thomson electronics group is to build an electronic components plant in the Trith-Saint-Léger area, creating an initial 500 jobs, which should rise to 800 in the longer term.

Electricité de France and L'Air Liquide are also to build a plant in the area to produce hydrogen for the Ariane space rocket.

A new high-technology university is to be built at Lille, and a working party is to be set up to review the advantages of the proposed fixed-link across the Channel could bring to the region. The Government is also envisaging the construction of a motorway along the coast from the Belgian border to Rouen and Le Havre in Normandy.

At the same time, the Government is encouraging the development and modernisation of agriculture in the area. Agriculture is increasingly being seen as one of the more promising and stable sectors

of the economy of the deprived region. At Dunkirk, a FFr 60m grain terminal has just been completed to compete against Belgian and Dutch grain ports while additional funds are being provided to help improve the drainage system of the lowlands between Dunkirk and Lille.

The French Agriculture Ministry put the need for funds for drainage at FFr 1bn.

The long-awaited support measures for the north have already been criticised by the right-wing opposition parties as an attempt to stage "a political coup" before the general elections next March.

The pro-Communist CGT union, which has been orchestrating a series of increasingly tough actions at the troubled Dunkirk shipyards, has also criticised the government plans as "political promises."

The north of France has been pleading for months for special measures comparable with those granted to the nearby eastern region of Lorraine to compensate for steel plant closures.

The decision last summer by the Unimetal state steel group to close another steel plant at Trith-Saint-Léger with the loss of 770 jobs after the Socialist administration had earlier pledged that no more closures would be made, provoked a furious reaction in the area.

M. Pierre Mauroy, the former Socialist Prime Minister and mayor of Lille, and other leading Socialists have been campaigning strongly for a new aid package fearing that the latest steel restructuring could seriously undermine the party in the north in next year's elections.

Soares hands over to Deputy Premier

By David White and Diana Smith in Lisbon

PORTUGAL is heading for a minority centre-right government to replace the centre-left coalition administration of Sr Mario Soares, whose Socialist party was heavily defeated in Sunday's general election.

General Antonio Ramalho Eanes, the President, after consulting chiefs of all the major parties, can now be expected to ask Sr Anibal Cavaco Silva, leader of the Social Democrats (PSD), to form a government.

In a surprise move last night, Sr Soares announced that he would step down immediately from his office as Prime Minister in favour of Sr Rue Machete, the Social Democratic Deputy Premier.

Sr Soares said he was writing to the President to tell him this because he believed it would be more consistent in view of the election result to have a Social Democrat running the caretaker Government until a new administration is formed.

Sr Soares's Government became a caretaker administration in the summer after the President decided to call a snap election.

The PSD, which took part in the outgoing administration until Sr Cavaco Silva's arrival in the leadership earlier this year, took just under 30 per cent of the vote on Sunday as Socialist support slumped to barely 20 per cent from over 30 per cent in the last election in 1983.

Sr Cavaco Silva has said he will invite the Christian Democrat (CDS) party into a new coalition, but this would still fall short of a majority of the 250 seats.

The balance of power in the new parliament will, therefore, be held by the recently-formed Democratic Renewal Party (PRD), which produced the major surprise of the election by taking third place in the vote with 18 per cent of the vote.

The PRD, made up from followers of General Eanes, gained from widespread disillusionment with party politicians and was the main factor behind the Socialist's collapse. Disaffection with the main parties was also reflected in an abstention rate of about one in four.

The PRD leader, Sr Hermínio Martins, said the party would not join a coalition, but indicated that it would be prepared to give a minority government support in parliament on condition that its programme respected certain "minimum guarantees."

Continued on Page 20
Editorial comment, Page 18; How the political scene changed, Page 20

Canadian banks set up support group as new problems emerge

BY BERNARD SIMON IN TORONTO

RECENT difficulties experienced by a number of small Canadian banks have prompted the country's six largest banking groups to form a secret support group aimed at maintaining confidence in the banking system.

Bank officials and securities analysts confirmed yesterday that the group has provided liquidity in recent weeks to Mercantile Bank of Montreal, Canada's eighth largest bank, in which Citibank of New York has a 24.2 per cent stake.

The support for Mercantile follows the collapse last month of two Alberta banks, Canadian Commercial Bank and Northern, the first bank failures in Canada since 1953.

Both were heavily exposed to the depressed energy and real estate markets, but their demise was hastened by depositors withdrawing funds after government agencies and the six major banks put together a C\$250m (\$187m) rescue package in March.

Mr Robert Davidson, Mercantile's chairman, declined to comment on assistance from other banks, saying only that "arrangements have been made" to maintain

the bank's funding. He said that Citibank has been "supportive."

Mercantile had assets of C\$4.6m on July 31 and net income of C\$9.2m in the three months to July 31. The bank is funded almost exclusively in the money market.

Mr Davidson confirmed that its ability to attract deposits has been hampered by nervousness stemming from the troubles in Alberta. But he said that "we're still liquid and we're certainly solvent."

The Government is apparently anxious not to become directly involved in the wake of embarrassment caused by the CCB and Northern failures.

Ministers and government officials repeatedly assured depositors in CCB that their funds were safe after last March's bailout. The subsequent collapse of the bank has left Ottawa with little choice but to pay out all depositors, including those not covered by the official deposit insurance scheme. Payments to uninsured depositors are expected to cost the exchequer more than C\$800m.

Mercantile paid an average of 8.4 per cent per annum on deposits in

the three months to July 31, compared with less than 8 per cent paid by the five largest banks. One analyst said yesterday that the bank's current funding in the money market "is a question of availability, rather than price."

Mercantile's share price has slumped from C\$15 to C\$8 in heavy trading on the Toronto stock exchange in the past two months, but has since recovered to C\$10.6.

Mercantile is a wholly-owned Citibank subsidiary until 1987 when changes in Canadian bank laws restricted foreign shareholdings. Citibank has agreed to reduce its shareholding to 10 per cent by the early 1990s.

The Federal Government appointed a judicial committee of inquiry last week to investigate all aspects of the CCB and Northern failures.

The collapses are expected to lead to tighter supervision of financial institutions and a delay in government proposals published earlier this year to allow financial conglomerates to build up dominant shareholdings in banks through financial holding companies.



King & Company have provided a service to Commerce and Industry since 1920, advising on property matters, including valuation, investment, management, rent reviews, rating, building, development and agency. From 14th October 1985, our City and West End offices move to 7 Stratford Place, London W1 when our doors will be open to continue our service beyond the 1980's.

King & Co
7 Stratford Place
London W1N 9AE
01-493 4933

Offices: Birmingham-Edinburgh-Leeds-Manchester-Brussels

CONTENTS	
Europe	2, 12
Companies	21, 23
America	4
Companies	21
Overseas	9
Companies	22
World Trade	6
Britain	10, 11
Companies	24-26
Agriculture	39
Appointments	39
Arts - Reviews	16
World Guide	21
Commercial Law	39
Commodities	39
Crossword	27
Currencies	31
Editorial comment	18
Europe	21, 23
Financial Futures	31
Gold	39
Int. Capital Markets	21, 23
Letters	19
Law	29
Management	14
Market Movers	33
Men and Matters	18
Money Markets	31
Raw materials	39
Stock markets - Europe	35
Wall St.	35-38
London	32-35, 38
Technology	3
Unit Trusts	27-29
Weather	29
Bonn: Weizsäcker seeks better relations with Israel	2
New Zealand: economy poised on the high wire	3
Trade: CoCom comes under conflicting pressures	6
Management: venture capital in France	14
Editorial comment: Britain; Portugal	18
Small appliances: U.S. set for push into Europe	18
UK: trying to reassure the Conservative faithful	19
Portugal: triumph for centre promises radical change	20
Lex: Pantry Pride/Revlon; Thames TV; dollar	20
Urban renewal: Survey	Section III

EUROPEAN NEWS

Soviet oil sales to West may decline

By Maurice Samuelson in London

THE SOVIET UNION'S oil sales to the West, cut earlier this year because of production problems, may be squeezed a lot further this year because of additional developments outside its control.

Yesterday's issue of Petroleum Intelligence Weekly, says the Soviets may have to divert large quantities of oil to Eastern Europe whose own imports from Iran will be seriously disrupted by the damage to Iran's Kharg Island terminal.

According to the New York-based bulletin, spot supplies of crude from the Soviet Urals oilfields have "evaporated". Customers are said to have raised their expectation of the 1985 short-fall in Soviet sales to 70 per cent from an earlier estimate of 50 per cent.

This means the Soviet Union could pull an additional 300,000 to 400,000 barrels a day off world markets, which is about as much as Eastern European countries imported from Iran before the latest flare-up.

This would represent about 20 per cent of the Soviet Union's total exports to the West last year and is in addition to the one-third cutback announced by Moscow earlier this year.

Soviet oil and gas sales to the West - mainly Western Europe - earn 80 per cent of the hard currency Moscow needs to purchase foreign grain, consumer goods and industrial equipment.

Finland, a leading customer for Soviet oil, is reported to have been told that deliveries this year will fall by 12.5 per cent, or 7.3m barrels.

As a result of domestic production difficulties, Soviet oil exports were sharply reduced in the first quarter of 1985, causing a Soviet trade deficit of \$2bn, compared with healthy surplus in the corresponding period last year.

Norwegian rig hit by fire

By Fleming Dahl in Oslo

A NORWEGIAN oil rig worker was reported missing after a gas blow-out and fire hit the Norwegian semi-submersible drilling rig West Vanguard on Haltenbanken, on Sunday.

Of 80 people on board the rig, most of them Norwegian, 70 were soon picked up by boat after they had evacuated the burning rig in lifeboats.

The Norwegian state oil company, Statoil, had only started drilling operations one day earlier. Statoil said that the blow-out occurred when the drill bit reached an unexpected shallow gas pocket about 200m under the sea bed.

Statoil said later there was a fair chance that the rig had not suffered severe damage.

Rupert Cornwell in Bonn assesses the West German President's most taxing mission

Weizsäcker pursues better relations with Israel

WITH his departure for a state visit to Israel, Herr Richard von Weizsäcker today begins his most important and taxing foreign mission since he became the sixth president of West Germany just over 15 months ago.

It is now 40 years since the end of the Second World War, and two decades have elapsed since the two countries established diplomatic relations. Yet the past, and the barbarities committed this century by a German dictatorship against the Jews ensure that even now ties between them are like no other.

It is, indeed, a measure of the emotions and paradoxes which still colour German-Israeli relations that the man best in a position today to help them down the long path towards normality is one almost without any executive power to do so.

Herr von Weizsäcker's four-day journey has been described as a "milestone which will go down in history" by Mr Yitzhak Rabin, the present Israeli Ambassador in Bonn, and not only because it is the first of its kind by a West German head of state.

Of all living West German politicians, Herr von Weizsäcker is this one, with the possible exception of the former Chancellor Herr Willy Brandt, whom the Israelis hold in most esteem.

One reason is the fact that he has already been to the country three times before; but his current prestige reflects above all the President's unflinching, cathartic speech to mark the 40th anniversary of the final defeat of Hitler last May 8, in which he acknowledged the indelible responsibility which Germany held for the catastrophe and for the atrocities committed by its people.

But even this may not be sufficient to ensure a trouble-free passage. The extraordinary abuse of the then Chancellor Helmut Schmidt by Mr Manachem Begin, the Israeli premier was a bitter reminder just four years ago of how thin the veneer of normality can be.

Even the visit of Herr Schmidt's successor, Chancellor Helmut Kohl in January 1984 was marred by what his hosts took as an insensitivity to the Holocaust, and a scarcely concealed impatience that German foreign policy in the Middle East at least, should continue to be conditioned by the aims of a generation to which he personally did not belong.

Herr von Weizsäcker's sense of history cannot be criticised.

But two separate new circumstances are proof that the underlying difficulties remain: the Israeli air attack on the PLO's headquarters near Tunis, and renewed rumours that a major West German arms deal with Saudi Arabia may be in the offing.

Bonn has joined the Community in condemning the first, while the second, after years of successful pressure from Jerusalem in blocking a mooted

sale of Leopard 2 tanks by Bonn to Riyadh, threatens to reopen old wounds and make the President's stay more awkward than it might otherwise have been.

In many respects, though, relations are healthy enough. West Germany (albeit with a trading surplus of DM 1.1bn in 1984) is Israel's most important trading partner after the U.S. Though only 300,000 Jews live today in Germany, compared with some 600,000 in the early

1930s, Israel's youth exchange programme with West Germany at 7,000 is its largest with any single country. A further increase is one of the possible practical results of the von Weizsäcker journey.

On top of this Bonn has paid huge reparations to Jews in Israel for what happened under the Third Reich - totalling in all perhaps DM 50bn (£13.3bn). It is a far cry from East Germany, which has no relations with Israel, has paid not a penny of compensation that it is not the successor of the Nazi state, and which, Israel insists, provides bases and training for terrorist groups vowed to its destruction.

West Germany and in particular its youth on the other hand have not forgotten the past. Indeed, the anniversary year of 1988 has seen the Nazi period honestly and objectively examined as rarely before. What was the growing readiness at home to criticise Israeli foreign policy, German tourists are visiting Israel in ever increasing numbers, to see for themselves.

On this consciousness Herr von Weizsäcker will seek to build this week, in his speeches, and at a keenly awaited meeting with a small group of Israeli youth of differing political views.

None of this of course guarantees that there will not be difficulties. The visit of President Reagan and Chancellor Kohl last May to the Bitburg military cemetery where 55 veterans are buried still rankles in Israel, and Herr von Weizsäcker may face isolated demonstrations, notably from the far right, seeking political capital from attacks on German

But his May 8 speech, insisting that the past could never be forgotten, is his greatest asset. It has been remarked of Israeli-West German relations that the former look of the past through the past, while the Germans tend to judge the past by the present. The President is a striking exception to this rule - which paradoxically could mean that he has a legacy which other Germans do not.

Rocard strengthens position on eve of Socialist party congress

BY DAVID HOUSEGO IN PARIS

MICHEL ROCARD, the outsider within the French Socialist leadership, has strengthened his grip considerably on the party by almost doubling the representation of his following on the party's executive committee.

The sharp increase in M Rocard's strength means that for the first time since 1981 President François Mitterrand's followers no longer have an absolute majority in the main decision-making body of the party.

The shift in the balance of power comes on the eve of the party congress which opens in Toulouse on Friday. The congress now seems likely to be overshadowed by M Rocard's bid to transform the Socialist faction within the party into a more forward-looking Social Democrat Party and to have himself eventually accepted as the candidate of

the Left in the next Presidential election.

The increase in M Rocard's representation on the executive committee stems from the number of votes cast by local Socialist federations for the policy motion he submitted in advance of the congress.

M Rocard's motion secured 29 per cent of the vote, while the official motion proposed by M Lionel Jospin, the party secretary, won the rest. Until recently M Rocard was said to represent a minority of about 10 per cent in the party.

As a result of the vote, M Rocard's followers have been allocated 38 seats on the executive committee instead of 20. But with every sign that the traditional anti-socialist faction within the party is now breaking up the following of M Pierre Mauroy, the former Prime Minister, could swing in

the Left in the next Presidential election.

The increase in M Rocard's representation on the executive committee stems from the number of votes cast by local Socialist federations for the policy motion he submitted in advance of the congress.

M Rocard's motion secured 29 per cent of the vote, while the official motion proposed by M Lionel Jospin, the party secretary, won the rest. Until recently M Rocard was said to represent a minority of about 10 per cent in the party.

As a result of the vote, M Rocard's followers have been allocated 38 seats on the executive committee instead of 20. But with every sign that the traditional anti-socialist faction within the party is now breaking up the following of M Pierre Mauroy, the former Prime Minister, could swing in

the Left in the next Presidential election.

The increase in M Rocard's representation on the executive committee stems from the number of votes cast by local Socialist federations for the policy motion he submitted in advance of the congress.

M Rocard's motion secured 29 per cent of the vote, while the official motion proposed by M Lionel Jospin, the party secretary, won the rest. Until recently M Rocard was said to represent a minority of about 10 per cent in the party.

Communist daily given face-lift

BY OUR PARIS CORRESPONDENT

READERS OF L'Humanité, the French Communist daily newspaper, found yesterday that their paper had been given a face-lift.

The sombre, large broadsheet which for years had broadcast the party gospel in its front page editorials, has transformed itself into a jolly tabloid.

"The world changes, newspapers change, and Communists as well," said M Roland Leroy, the director in an editorial reprinted to page three.

It is an assertion that would

be challenged by most political analysts in France as the most remarkable fact about the French Communist Party is how little it has changed.

The front page of the new L'Humanité was no less dominated yesterday by a photograph of Alain Prost, the French racing driver, clutching his trophy after his victory at Brands Hatch on Sunday. The paper's sports coverage has been enlarged, articles are smaller and there is more emphasis on personalities.

But the change of format has not meant any letting up in the attacks on the Socialist Party. An analysis on page two painted a dreary picture of Brittany on the eve of President François Mitterrand's visit there yesterday.

L'Humanité has changed its format in the hope of attracting more readers in advance of the March parliamentary elections. Yesterday it printed 350,000 copies - but it will have a hard time keeping a circulation at half that figure.

E. German economy rises 4.4%

By Leslie Collett in Berlin

EAST GERMANY'S national income (equivalent to GNP minus services) rose 4.4 per cent to the end of September, fulfilling the plan and outpacing the growth in the other Comecon countries.

Industrial production rose 4.5 per cent, 0.2 per cent above target. The economy suffered least from the extreme cold last winter which severely set back energy output in most other East European countries and led to production losses.

Output rose by 13.6 per cent in electrical engineering, by 13.7 per cent in vehicles and 11.6 per cent in the chemicals industry. No figures were given for investments, which have virtually stagnated in real terms since 1980.

East Germany had its largest grain harvest ever, 1.6m tonnes, while animal slaughtering rose 5.7 per cent and the fruit crop was up 93 per cent. Fruit is being distributed free to schools in the Magdeburg district, as the country's surplus capacity to can or freeze much

No details were given on foreign trade, except to say that exports to the Soviet Union had over-fulfilled the target, while foreign trade with Comecon went according to the plan.

A "significant" export surplus was said to have been achieved in trade with the West.

Retail trade turnover, an indicator of the standard of living, rose 4 per cent and met the planned target. Inflation, officially does not exist, but even after price rises, the standard of living is again rising, although slowly.

Flexible timetable for CAP reforms

BY IVO DAWNAY IN BRUSSELS

SENIOR OFFICIALS at the European Commission have drawn up a more flexible timetable for presenting wide-ranging reforms to the common agricultural policy (CAP) in order to absorb controversial proposals for the costly cereals sector into the general debate on next year's farm prices.

Originally, new Commission regulations for grain were to have been presented this month. Instead, only outline plans are likely to be laid down in a special memorandum, allowing further discussion to continue until December when final issues will also be tackled.

The decision to hold off from announcing firm legislative measures immediately has been taken by Mr Frans Andriessen, the Farm Commissioner, on the advice of senior officials.

They calculate that any major return to the controversial cereals regime will need to come alongside a general package of management and price proposals. This would allow the Commission the maximum room for manoeuvre, ensuring a surplus, now costing more than Ecu 3m (£1.7bn) annually, represents the most intractable area for reform on the agenda, with the West Germans, at one extreme, refusing price cuts and the UK, at the other, insisting upon them.

The Commission's solution, officially denied, is expected to include the use of co-responsibility levies to pass on the rapidly rising cost of export

subsidies to producers, higher quality standards and possible restrictions on the times tinsed grains can be delivered to Community stores.

Mr Andriessen is widely rumored to have come under considerable pressure both from member states and fellow Commissioners to moderate the package in an effort to minimise its political impact.

Everyone involved in drawing up the reforms is acutely aware that elections next year in France, and in Lower Saxony and Bavaria in West Germany will reduce the farm ministers already limited room for manoeuvre.

Attempts to rescue from limbo a European Community patent convention signed ten years ago will be made by the Ten, with Spain and Portugal, at a special conference in December, writes Paul Cheeswright in Brussels.

The original convention was agreed by all the present community members, except Greece which was then not in the EEC. But to come into force, it needed ratification by national parliaments. For constitutional reasons, Ireland and Denmark have not been able to ratify, so the convention has never worked.

The convention would grant patent protection throughout the Community and is seen by the European Commission as essential to the smooth working of the internal market.

subsidies to producers, higher quality standards and possible restrictions on the times tinsed grains can be delivered to Community stores.

Mr Andriessen is widely rumored to have come under considerable pressure both from member states and fellow Commissioners to moderate the package in an effort to minimise its political impact.

Everyone involved in drawing up the reforms is acutely aware that elections next year in France, and in Lower Saxony and Bavaria in West Germany will reduce the farm ministers already limited room for manoeuvre.

Serious poll setback for Austrian Greens

BY PATRICK BLUM IN VIENNA

AUSTRIA'S "Green" parties suffered their first serious setback in elections for the provincial parliament of Upper Austria on Sunday, failing to win any seats despite hopes that they would repeat their unexpected success of a year ago in Vorarlberg, where they won four seats.

The elections were seen in Vienna as a test of the political barometer six months before the presidential elections due, in the spring. The results will give comfort to the conservative and largest of the Green parties, won only 2.3 per cent of the vote, well short of the 4 per cent VGO leader Herr Josef Buchner had hoped for in order to gain a seat in the parliament.

The left-wing Alternative Greens won only 1.7 per cent of the vote and another small group less than half a per cent. The Greens' combined vote suggests that they would have been more successful had they run a combined campaign as in Vorarlberg last year, but the parties have fallen out recently because of their very different approaches on other major issues.

The VGO will have found some comfort in winning three seats and more than 5 per cent of the vote in city council elections in Linz, the provincial capital of Upper Austria, which also took place on Sunday. The vote is thought to have been greatly influenced by the presence in Linz of two of the country's largest industrial companies against which the Greens waged a strong anti-pollution campaign.

Attack on credit policy

By Christopher Bobinski in Warsaw

A SENIOR Polish official has charged that the West is conducting a "neocolonialist" credit policy towards heavily indebted Third World countries and warned that in time this will lead to "effective" resistance.

The attack by Mr Stanislaw Dlugosz, a deputy head of the Government's planning commission, appeared yesterday in a Warsaw newspaper and came as Poland itself struggles to service its debt which is now approaching \$30bn.

Yesterday Polish officials were also due to sign a long-term trade agreement with the Soviet Union covering the years 1986 to 1990, during which period Poland will have to balance its Soviet trade.

Polish sales will have to grow much faster than imports from the Soviet Union which will put an additional strain on the economy if balance is to be achieved by 1988. At present Poland owes the Soviets \$500 million (\$4bn).

Mr Dlugosz, who has in the past criticised Polish agreements re-scheduling, payments to Western banks, was echoing remarks made in General Wojciech Jaruzelski's speech at the United Nations last month.

The more strident tone on debt policy comes as Poland's hard currency earnings are falling and the country is having difficulty in fulfilling repayment agreements with Western governments.

Last week an International Monetary Fund (IMF) team left Warsaw after talks which the Poles hope would directly precede the country rejoining the IMF.

However Mr Dlugosz in his interview says in a veiled criticism of the IMF that "I agree that some international financial institutions are a very effective instrument in the hands of the neocolonialists."

Buthelezi carries campaign to Europe

By William Duffell in Geneva

FOREIGN companies operating in South Africa should create more opportunities for blacks rather than withdraw investments, Chief Mangosuthu Buthelezi said here yesterday. He is president of the Zulu-dominated Inkatha movement which with 1m card-carrying members claims to be the biggest black organisation in South Africa.

The free enterprise system was not creating enough jobs for blacks. It was not doing enough to improve opportunities for skilled black workers and managers and to give blacks the chance to take shares in enterprises.

The result, the Chief said, was a groundswelling of the movement which with 1m card-carrying members claims to be the biggest black organisation in South Africa.

Chief Buthelezi is on a 10-day visit to Europe during which he will present his views on the situation in South Africa to businessmen, church leaders, lawyers and academics. Yesterday, he lunched with Swiss businessmen.

Some black leaders had been urging foreign companies to withdraw investments in South Africa, Chief Buthelezi agreed. But as an elected leader who regularly tested people's feelings, he had found no mandate among blacks for a disinvestment policy.

The faster the South Africa economy developed, the more it would depend on black workers and the greater would be the clout of black organisations. A main objective of the white-dominated economic system on blacks was the soft underbelly of the apartheid system, Chief Buthelezi said.

Black disunity was now the biggest obstacle to political progress in South Africa and the prospect of black civil war was very serious, he said in an interview.

His Inkatha movement has rejected the "armed struggle" promoted by the African National Congress (ANC). Several people have been killed in recent clashes between Inkatha members and supporters of the United Democratic Front (UDF) which Inkatha regards as a front organisation for the exiled ANC.

The latest agenda for reform presented by President P. W. Botha had been bitterly disappointing, the Chief said. The offer of black participation in the President's Council and the commitment to universal franchise were totally inadequate.

President Botha had stipulated that these concessions would have to fall "within the structures chosen by South Africans, implying that the present tricameral (white, Indian, Coloured) parliament was the only acceptable structure," Chief Buthelezi said.

Tax measures benefit Italian middle class

By James Buxton in Rome

ITALY'S middle classes appear to be the main beneficiaries of tax measures which the Government is to introduce from the beginning of next year.

The measures, which must be approved by Parliament, will reduce the rate of income tax for all except those in the very highest brackets. The aim is to reduce the effects of fiscal drag, the process by which people pay at a higher rate as inflation pushes them into higher tax brackets. The rates were last revised in 1983.

A married man with two children earning L50m a year (£20,000) will pay tax at a rate of 25 per cent instead of 30 per cent. A man on L100m a year will see his rate drop from 38 to 34 per cent.

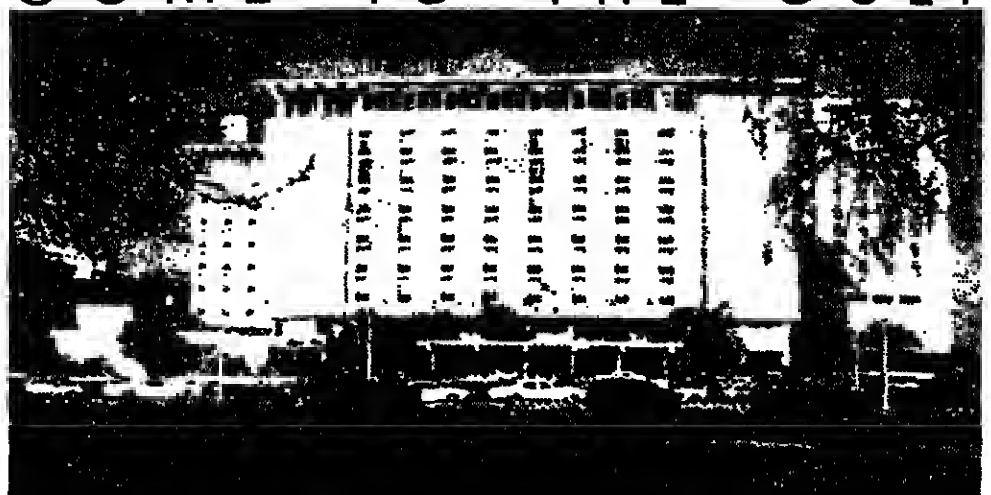
The package will cost the Government L3,650bn next year and L6,400bn to L6,700bn in 1987. It was drafted by Sig Bruno Visentini, the Minister of Finance, in response to demands for greater fiscal equity.

Sig Visentini, from the small Republican Party, has doggedly refused to raise taxation, despite pleas from Sig Giovanni Goria, the Christian Democrat Treasury Minister, to produce more revenue to help cover the budget deficit. This is expected to be L110,000bn next year.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hogg, Frankfurt/Main, and, as managers of the German edition, P. Bickel, R.A.F. Mecklen, G.T.S. Danner, M.C. Gorman, D.E.P. Palmer, London. Printed by G. H. Fischer, Frankfurt/Main. Registered office: G.H.P. Smith, Frankfurt/Main. © The Financial Times Ltd. 1985.

FINANCIAL TIMES, US\$ No. 100940, published daily except Sundays and holidays. U.S. subscription rates \$35.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 West 60th Street, New York, N.Y. 10022.

COME TO THE GULF



KUWAIT SHERATON HOTEL - 448 ROOMS / 171 SUITES / LOCATED DOWNTOWN / 15 MILES FROM AIRPORT

COME TO SHERATON

When you travel to one of the world's most important business centers, you expect the finest in hotel accommodations. Like so many travelers to the Gulf, you choose Sheraton. For key locations near commercial, government and shopping districts. For 24-hour room service, special executive services and the latest conference facilities. For superb dining and entertainment. For refreshing pools and health clubs. Sheraton hospitality and service are one valuable resource on successful business trips. When you come to the Gulf, come to Sheraton.

ABU DHABI, U.A.E., ABU DHABI SHERATON
DOHA, QATAR, DOHA SHERATON HOTEL
DUBAI, U.A.E., DUBAI SHERATON HOTEL
KUWAIT CITY, KUWAIT, KUWAIT SHERATON HOTEL
MANAMA, BAHRAIN, BAHRAIN SHERATON
RIYADH, SAUDI ARABIA, ATALLAH SHERATON

© 1985 The Sheraton Corporation

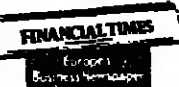
Sheraton
Hotels, Inns & Resorts Worldwide
The hospitality people of I.T.T.
For reservations and information,
call TOLL FREE
0800-35.35.35

Get your News
early
in Köln



Sie erhalten die
Financial Times im
Abonnement durch
Boten zugestellt.

Näheres erfahren Sie von
Financial Times,
Europe Ltd.
Guillettstraße 54
6000 Frankfurt/Main 1
Telefon 069/7598-0
Telex 4 16193



NEWS!
FINANCIAL TIMES

same morning
personal
delivery
service
available in
Oslo
and
Savanger.

CALL Copenhagen 13 34 441

OVERSEAS NEWS

Pretoria to spend R600m on job-creation schemes

BY JIM JONES IN JOHANNESBURG

THE South African Government is to finance a crash job creation programme as part of a special R600m (US\$367m) economic spending package over the next six months. Describing the programme as similar to those launched during the Great Depression of the 1930s, Mr Pieter du Plessis, Minister of Manpower, said that emphasis would be placed on labour-intensive projects which would pay labourers between three and four rands a day and provide men "with at least some income to keep body and soul together".

In addition to spending on special labour-intensive projects, the Government will provide R150m to prop up the faltering Unemployment Insurance Fund (UIF), to which both employers and employees contribute and which provides a modicum of unemployment benefits for lowly paid workers.

In recent months claims against the UIF have been greater than its income and there have been fears over the fund's soundness, as it has been obliged to sell investments to meet its commitments. At present the UIF has sufficient funds to maintain unemployment benefit payments for a

further seven to nine months.

Mr Du Plessis said in Pretoria yesterday that R70m would be spent on self-help housing and infrastructure projects, while R75m would be provided to assist small businesses through the Small Business Development Corporation (SBDC), a private sector organisation. Food and clothing worth R20m is to be distributed in direct relief to families worst hit by the unemployment crisis. The aim of the make-work spending is to ensure that about 60 per cent of the cost of any project would consist of wages, Mr Du Plessis said. He envisages urban projects such as cleaning inhabited and uninhabited areas, digging trenches for sanitation and water pipes and the development of community facilities such as sports fields. In the countryside projects will concentrate on combating soil erosion, building dams and roads, eradicating weeds and canal digging.

The third leg of the special spending programme is on training unemployed workers. The intention is to train about 130,000 people by the end of March 1986 at a cost of R25m out of total budgeted amount of R100m.

Sabah Attorney General faces corruption charges

BY WONG SULONG IN KUALA LUMPUR

MR HERMAN LUPING, the influential Attorney General of the East Malaysian state of Sabah, was arrested yesterday on corruption charges, a development which is seen as the most serious blow to the fragile six-month-old Christian-Kadazan dominated state Government.

The anti-corruption agency in Kuala Lumpur said Mr Luping would appear in court today to face four corruption charges involving Ringgit 1.5m (US\$450,000) when he was legal adviser to the Party Bersatu Sabah (PBS) of Chief Minister Datuk Joseph Pairin Kitingan.

Mr Luping, 48, a former Sabah deputy chief minister, was widely credited for drawing up the strategy which brought the PBS to power in last April's state elections.

He is a close adviser to Datuk Pairin, and shortly after the PBS won power, Mr Luping was made Attorney General.

Mr Luping's arrest could affect the chances of PBS winning a crucial by-election in Sabah this Saturday. The by-election is the first electoral test for the party since winning power, and a defeat would spur Muslim groups to work towards toppling Datuk Pairin's Government.

The political and security situation in oil and timber-rich Sabah has been tense since PBS won power, and this was further aggravated by a recent Filipino pirate attack on Lahad Datu, which left 15 dead.

Refugees return to the rubble of Tripoli

By Nora Boustany in Beirut

SYRIAN troops consolidated their hold over the war-scarred port city of Tripoli yesterday as refugees streamed back to their shattered homes amid unverified claims about the fate of three missing Soviet embassy officials.

An anonymous caller Sunday told two American news agencies here the Soviet hostages, two diplomats and an embassy doctor, would not be freed unless the presidents of the U.S. and Soviet Union agreed to put an end to Lebanon's civil war at their forthcoming summit. Speaking in the name of the Islamic Liberation Organisation, which took responsibility last week for the abduction of four Soviet officials and the assassination of one of them, the caller said the end of hostilities in Tripoli did not mean the conspiracy against Moslems was over.

Though the authenticity of such calls remains doubtful, silence since last Wednesday evening on the whereabouts of the Soviet captives has fuelled suspicions their disappearance may be linked to regional power conflicts.

In Beirut, armed men clashed sporadically with machineguns and rocket launchers at the Palestinian refugee camps of Sahra and Chatila. Radio stations said the fighting at Sahra and Chatila was between Shiite Muslim militiamen and Palestinian guerrillas. The Shiite Amal movement, which fought a bitter five-week war against the three Palestinian camps south of Beirut earlier this summer, claimed yesterday's fighting was an internal Palestinian problem.

Residents returning to Tripoli—where three weeks of fighting has left more than 500 people killed and 1,300 wounded—rummaged in rubble-strewn streets for remains of their property. Observers estimated that only one third of Tripoli's houses were immediately habitable. Concentrated shelling from Syrian-held hills against Islamic Unification Movement as leftist militias stormed Tripoli on September 23 devastated once densely populated neighbourhoods, knocked out power cables and burst water pipes.

Michael Thompson-Noel reports on fears of inflationary pay deals NZ economy poised on a high wire

IF IT ISN'T one thing with the New Zealand economy it is invariably another. The latest tremor of concern in Wellington, registering about a little over five on the national scale, concerns progress in the current wages round, which is of central importance to the aspirations of Mr David Lange's 14-month-old Labour Government.

Late last month New Zealand's electrical workers settled for a 15.5 per cent pay rise, with other allowances still to be considered in the Arbitration Court. This was the first major settlement of the round, and contrasts with Government hopes of nominal incomes growth of 10 to 13 per cent in 1985-86.

At once, there was signalling from the "Beehive", the executive wing of Wellington's Parliament House, insisting that high pay settlements are "unacceptable" and will lead to a rash of business failures.

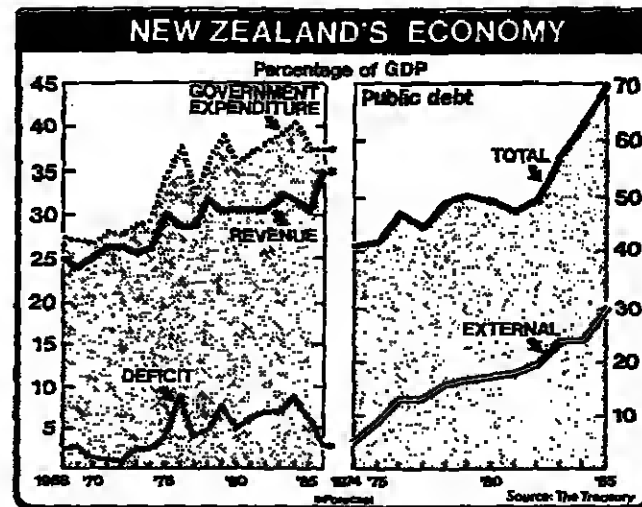
Failure by employers to heed Government warnings could also easily undermine Labour's strategy—let alone its political scaffolding—for the economy is at present delicately poised on a very high wire.

To cries of "Bravo!" from the outside world, Mr Lange's Government has swiftly swept away the controls on the economy, at a pace perhaps too hectic for a country with a penchant for living in the past.

In its bid to modernise, it has devalued and floated the NZ\$; removed interest rate and foreign exchange controls; introduced an active debt sales programme; tightened fiscal policy; announced significant tax reform and taken a vacuum cleaner to industry assistance schemes and farm subsidies.

Mr Roger Douglas, the Finance Minister, insists that if New Zealanders are to enjoy permanently higher incomes and employment, lower inflation, and an end to huge debt accumulation, they must rapidly adjust to the outside world, even though no miracles are in prospect and "sacrifices" are required from all.

By the Government's lights, the country's drift towards the status of a backwater has been halted. In Mr Douglas's view: "The fiscal deficit is back on the rails. The need for massive overseas borrowing has been halted. We have got control of the money supply. The conditions have been created for lower inflation and faster, more



lasting economic growth."

Yet a great many things must go right for Labour if it is not to be summarily dismissed at the next election, for there are few issues (other than nuclear politics and French bombing) to distract New Zealanders from the simple arithmetic of super-market prices, mortgage rates, pay slips and weekend rugby scores.

A Government Minister, Mr Richard Prebble, has said that the 15.5 per cent pay deal with the electricians was higher than wanted, and should be regarded as an upper limit. Earlier, there had been signs of nervousness in the Beehive, and a buzz of intimations that the Government was ready to intervene in the electricians' negotiations, with talk of special regulations under the Economic Stabilisation Act.

Some pay claims may well be settled at half the electricians' rate. Overall, the New Zealand Institute of Economic Research (NZIER) is predicting average settlements in the current pay round of about 13 per cent.

Mr Len Baylis, a Wellington economist, says that tough monetary and fiscal policies combined with competitive market conditions will make it harder for companies to raise prices than has been the case over the last year.

"Hence wage increases will have to be financed out of profits or from increased efficiency and productivity," he says. "When higher wage, interest and other costs are added to increased taxes, and flat or declining sales, the outlook for business profits is poor — certainly in comparison with the last two

years. Nevertheless, business has shown considerable resilience."

Recently, the NZS has appreciated quite sharply against the yen, the A\$, the U.S.\$ and against its trade-weighted index. The strength was seen as an adjustment based primarily on interest rate differentials, underpinned by the generally positive view abroad of Labour's policy course.

NZIER says, however, that the temporary overshooting of the exchange rate offers small respite for cost pressures, with the inflation rate for the year to next March predicted at 13.9 per cent, compared with 16.6 per cent for the year to June 1985.

The movement in the consumer price index for the latest quarter (end-September) is expected to be below 3 per cent against the June quarter's record 5.1 per cent. (Mr Lange has said he would transfer himself to London as High Commissioner if the September figure showed no improvement on June's).

Other forecasts by the NZIER indicate some of the strains. For example, it is forecasting a Government budget deficit of about NZ\$1.5bn (US\$700m) (3.3 per cent of GDP) in 1985-86, a little higher than the Government had expected.

At the same time, the balance of payments deficit on current account in 1985-86 will be nothing like last year's NZ\$2.7bn, but is still expected to exceed NZ\$2bn (over 4 per cent of GDP), with the terms of trade continuing to decline.

"Admittedly, much of the deficit is a result of investment sucking in imports, including NZ\$400m-worth of Boeing aircraft for Air New Zealand," says the institute.

Real GDP growth in 1985-86 is expected to be about 0.5 per cent against 1 per cent next year and 6 per cent last.

"Overall," says the NZIER, "a 7.5 per cent fall in 1986-87 would not be surprising, following growth of 4 per cent in 1984-85 and 0.5 per cent this year."

Nakasone calls for 'sound nationalism'

By Jurek Martin in Tokyo

IN A rare public exposition of his political philosophy, Mr Yasuhiro Nakasone, Japan's Prime Minister, yesterday declared that the country needed what he called a "sound nationalism" built on democratic foundations in order to further national confidence.

He did so in the course of answering questions following a luncheon speech, delivered in English, in which he had warned that protectionism was "a plague which, if let loose, will cripple all our economies" but that Japan "will do what it must" to help solve trade problems.

Mr Nakasone's critics, in and out of Japan, have charged that throughout his long political career, he has wanted to modify the post-war constitution, which renounces all except a defensive military posture. Recently, there were demonstrations in Peking against his visit to a Tokyo shrine which honours Japanese war dead.

Yesterday, Mr Nakasone categorically stated his belief that "Japan" had caused a war which brought disaster on itself and on its neighbours. Japan's pre-war "morality," he said, was "shortsighted."

On other matters, Mr Nakasone, whose appearance was in part a dry run for his visit to the U.S. and speech to the UN in two weeks' time, suggested

● that he had detected "a lull" in the protectionist mood in the U.S. present which he hoped would endure. He promised maximum support for the Reagan Administration's stance against protectionism but disclosed no details of any new economic initiatives to be unveiled before he leaves for Washington;

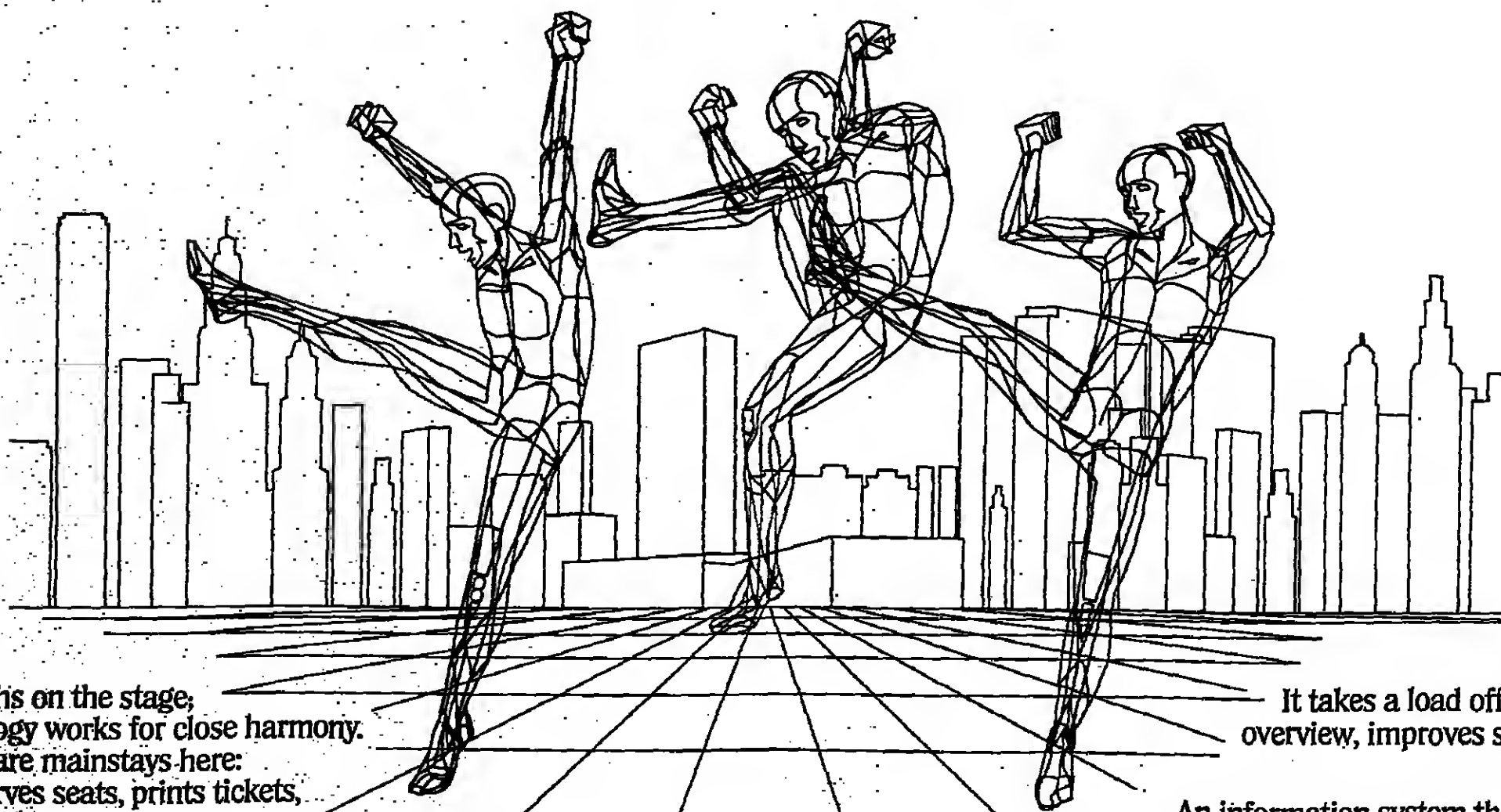
● that Japan, Europe and the U.S. had to think in the longer term about the structure of their economic relationship. The Group of Five finance ministers agreement in New York on September 22 was a step in the right direction of better economic fundamentals;

● Japan had taken no decision yet on whether or not to participate in the U.S. Strategic Defence Initiative. But he said it was impossible to deny that SDI was "a political bargaining chip" in arms control negotiations with the Soviet Union.

MANNESMANN

The computer is part of the ensemble.

Westside Story, Sold Out



Art scores triumphs on the stage, behind the scenes technology works for close harmony. Mannesmann electronics are mainstays here: the Kienzle computer reserves seats, prints tickets, totals and posts the day's take.

Subscription management, salary accounting, bookkeeping, auditing, and all the many other functions of theatre management are performed in a trice.

It takes a load off the staff, gives a better overview, improves service to playgoers and reduces costs.

An information system that has won applause in many theatres, on-stage and behind the scenes.

mannesmann technology

IMF ANNUAL MEETING

\$2.7bn to be set aside to assist troubled debtors

BY STEWART FLEMING IN SEOUL

THE International Monetary Fund's (IMF) policy-making committee has approved proposals to funnel some \$2.7bn of repayments to its Trust Fund to help distressed countries which might otherwise default on loans from the monetary agency.

But the committee did not endorse proposals which the U.S. put to the IMF board last month suggesting that countries borrowing from the Trust Fund undertake economic adjustment and reform programmes negotiated jointly by the IMF and the World Bank.

Officials said developing countries objected to such joint IMF-World Bank arrangements on the grounds that they would result in double jeopardy, with conditionalities in the lending terms, while some industrial countries argued it would be a mistake to begin to confuse the distinct roles of the IMF and the World Bank in this way.

The committee also left open the possibility that the \$2.7bn of Trust Fund loans "might be supplemented with funds from other sources" suggesting that U.S. proposals that efforts be made to put together a \$5bn package for the region were not acceptable. Mr James Baker, the U.S. Treasury Secretary, told the committee the U.S. would consider a "bolder

approach" aimed at providing more money for the region if "more intensive IMF and World Bank collaboration" code words for tougher lending conditions—could be agreed. The rejection of the comprehensive approach the U.S. proposed for recycling the Trust Fund repayments came as the Interim Committee reluctantly bowed to U.S. pressure to cut, albeit modestly, limits on IMF members' annual and cumulative access to its resources. As expected the committee also rejected developing country calls for a new issue of Special Drawing Rights (SDRs), IMF created reserve assets.

Several European industrial countries, including the UK had argued that moves to reduce access to IMF resources when developing countries were facing deepening economic difficulties, sent the wrong, unsympathetic, signal to the Third World at a time when neither IMF liquidity requirements, nor the use being made of IMF resources, required such a step.

At a press briefing following the Interim Committee meeting yesterday, Mr Jacques de Larosiere, the IMF Managing Director, denied that proposals to increase the role of the World Bank in the debt crisis could lead to undermine the ability of the IMF to enforce the conditions it attaches to its loans.

Argentina plays down embarrassing loan delay

BY OUR EUROMARKETS CORRESPONDENT

ARGENTINA and its leading creditor banks are trying to play down an embarrassing disclosure here that the recent \$4.2bn (£3.6bn) loan for Argentina was nearly scuppered at the last minute by a refusal of Bankers Trust, a major U.S. bank, to participate.

There has been no official confirmation, but top officials now freely admit in private that Bankers Trust threatened not to sign the credit because of objections to a plan for foreign bank creditors to inject new

capital into the ailing Banco d'Italia y Rio de la Plata. A way round the problem had to be found at the last minute resulting in a hitherto unexplained five and a half hour delay in last August's signing ceremony while Bankers Trust was persuaded to change its mind. No one is yet prepared to talk in detail about this compromise. Instead top bankers say such problems are almost routine in rescheduling exercises and usually get ironed out.



Earthquake bill may top \$5bn

THE EVENTUAL cost of the damage caused by last week's earthquakes in Mexico may exceed \$5bn (£3.6bn) according to one estimate from a senior official, writes David Gardner in Mexico City.

Mr Francisco Suarez Davila, the deputy Treasury Minister, believes that total extra expenditure as a result of the two quakes will be in the region of pesos 15 trillion-20 trillion (million millions). This is equivalent to \$5bn-£6.5bn at the "controlled" peso rate against the dollar.

More modest estimates of pesos 1 trillion were disclosed to creditors yesterday at the IMF-World Bank annual meeting in Seoul. In peso terms, a reconstruction bill of this magnitude is roughly equivalent to one-tenth of this year's budget and double this year's three rounds of public spending cuts totaling pesos \$500m. It also amounts to between 2 and 4 per cent of Mexico's GDP.

Mr John Gavin, the U.S. ambassador had estimated reconstruction costs at \$1.5bn-£1.2bn. Mexican employers' organisations put the cost at around \$2bn, but one of them adds a further \$500m for this year and next of \$1bn in lost tourism revenue. Mr Suarez Davila, in an interview this week, said the government's decision to push hard for decentralisation of the bureaucracy and state industry away from the capital after the earthquake will add substantial relocation costs to reconstruction. Mr Suarez Davila also said reconstruction would see a much faster rationalisation of public sector enterprises.

Peter Montagnon explains a new approach to financing by a leading world debtor

Mexicans look for an easier way out



Sr Silva Herzog, Mexican Finance Minister (left) and A W Clausen, World Bank President in Seoul signing a loan agreement of \$225m to be used largely for small industry

VOLUNTARY with a push. That is how Mexican officials in Seoul are describing their new approach to raising just over \$300m from international credit and bond markets to meet their foreign finance needs for 1986.

The approach marks a radical departure from the so-called forced lending which has now become the orthodox way for a debtor country to raise funds on private markets. Under this system the International Monetary Fund (IMF) compelled everybody to join in; the new approach there will be less compulsion and hopefully a bit more incentive.

Even with the new initiative on debt due to be unveiled this morning by Mr James Baker, the U.S. Treasury Secretary, most bankers consider that the task of implementing Mexico's new approach may prove difficult.

If it works, the hassle of persuading reluctant smaller creditors to join in the new loans will be over. They will be permitted a graceful exit leaving Mexico's future financing needs firmly in the hands of the core group of package banks who are firmly committed.

Top U.S. bankers believe this simpler and simpler approach forms one strand of the new Baker initiative, but in the rumour mills of Seoul's Hilton Hotel where the IMF meeting is taking place, it has already become a controversial idea among European bankers.

"I am not ready for that yet," said the general manager of one big Swiss bank, who was stick firmly to the principle that all creditors should

shoulder the burden, regardless of the stress and effort this causes. It took five months to persuade London and continental bankers to join Mexico's latest rescheduling package. No one here can forecast the precise tactics Mexico will use until after the Baker initiative is announced and digested, but two points are already abundantly clear. One is that Mexico's deal will prove the first major test of the effectiveness of the initiative in mobilising large new loans of funds to the developing world. The other is that Mexico intends to provide a big carrot to the banks by introducing a strong involvement of the World Bank and Inter-American

Development Bank. Already it has begun discussing a \$1bn co-financing scheme with the World Bank to provide a large plug of the money it needs. None of this will ever see the light of day, however, if Mexico fails to reach new agreements with the IMF and its economy programme to stabilise its economy and reduce inflation. Such an agreement should preferably last for a period of at least 18 months, rather than the 12 to 15 months proposed by the Mexicans, bankers say.

Sr Jesus Silva Herzog, Finance Minister, has told senior bankers here privately that he hopes to reach an IMF agreement shortly after next

HOW MEXICO WILL MEET ITS FINANCE NEEDS IN 1986

Source	Gross borrowing	Net borrowing
World Bank and IADB...	1,300	783
IMF and other multilateral...	1,000	456
Commercial banks...	1,000	493
IMF...	300	187
IMF...	900	778
Total	7,150	4,500

Source: Mexican Finance Ministry.

year's budget is presented to the Mexican congress on November 20.

Mexico fell out of compliance with this year's IMF programme because of its failure to meet a 4 per cent target for this year's budget deficit. Mexico looks likely to double to around 3 per cent of GDP. One problem it is now facing is where to find further cuts as an increasing portion of government spending is taken up with irreducible interest charges on its domestic and foreign debt.

Another difficulty raised by the banking community is capital flight. Mexico lost about \$400m earlier this year ahead of recent elections as money left the country because the exchange rate was too high.

Creditor banks resent the way in which some of the money they have lent in the past ended back with them in personal deposit accounts held

by high ranking Mexicans. But devaluing the peso and cutting the budget deficit is a political hot potato in Mexico, particularly if it is done at the behest of the IMF. The fund leaked its policy differences with the government of President Miguel de la Madrid on the same day as the first of last month's new earthquakes devastated parts of Mexico City.

The hope in the banking community is that concern over the oil price—hydrocarbon and derivative export earnings are now officially forecast to run at \$1.5bn below this year's target of \$15.5bn, and Mexico's own worry about declining foreign exchange reserves, expected to end the year at just \$4.1bn, will prompt it to put its house in order. Without that willingness there is no hope that even forced loans would work.

The background to Mexico's plight is a sorry tale of missed targets in figures issued to commercial banks this week. Non-oil export earnings for 1985 are likely to miss by \$1.1bn earlier estimates of \$2.6bn. The current account of the balance of payments will be in deficit by \$500m instead of a surplus of \$2.5bn.

A new IMF agreement would provide Mexico with its best chance of a fresh start, especially if it also yields to the demands to open up its economy to more foreign investment, bankers say.

Despite the Government's public hostility towards fresh austerity, they say that privately it agrees with Sr Silva Herzog's looks on this as a chance to redeem the situation," said one leading creditor.

Banks refuse Brazil rescheduling without IMF deal

BY PETER MONTAGNON

TOP BANK creditors have told Sr Dilon Fumero, Brazil's Finance Minister, that they cannot agree to a multi-year debt rescheduling unless his country first adopts a formal International Monetary Fund (IMF) agreement. Mr Fumero has been dropping scarcely-veiled hints at the IMF annual meeting here that he hoped for an arrangement restricting IMF involvement to simple monitoring of its economy because of the country's huge trade surplus now reckoned to reach \$13bn (£9.3bn) in 1985. "A country that has nor-

ally had a trade deficit of \$6bn and changes in three years to a surplus of \$13bn has already proved something," Sr Fumero told a press conference yesterday. His estimate raises Brazil's forecast of its trade surplus by \$1bn from \$12bn. Talks between Brazil and its bank creditors this week have thus reaffirmed the gulf that exists between the two sides. Bankers are worried about Brazil's inflation, saying the economy is now overheating. Private estimates, including that from Brazil's Getulio Vargas foundation, put this

year's growth closer to 8 per cent rather than the more modest 5-6 per cent claimed by the Government, they say. Although Brazil needs no fresh loans from them because of its trade performance, they believe they still have considerable leverage to persuade it to reach a rescheduling agreement backed up by an IMF programme. Paradoxically Brazil's failure to reach such an agreement is costing it about \$500m a year because of the lower interest charge applying to rescheduled debt, they said.

More important is Brazil's reliance on \$500m in working capital provided through credit lines in the international inter-bank market. Without this money Brazil could not function on a day-to-day basis. Brazil recently asked bank creditors to extend the availability of these lines, and about \$100m in short-term trade credit until January 17, and acceptances have been received in respect of 85 per cent of the total. But the acceptances are conditional on all creditors agreeing and without an IMF agree-

ment there remains a risk that the money would evaporate. At his Press conference yesterday Sr Fumero reverted repeatedly to Brazil's need to ensure economic growth. He said he would present an economic plan to the IMF in November which would reflect this need. "We would like to have an agreement with the IMF on our own conditions. Too many people talk about letters of intent. Letters of bad intent give us a bad sensation," he said.

AMERICAN NEWS

Nicky Kelly in Nassau reports on preparations for the Commonwealth conference

Pindling burnishes image after drugs inquiry

THOUSANDS of Bahamian children returning to school this autumn were met by a shortage of classrooms, vandalised and dilapidated school buildings and toilet facilities that did not work. Conditions, never the best, were worse than usual because millions of dollars needed for school repairs had been diverted into preparations for this month's meeting of Commonwealth leaders in Nassau.

Originally budgeted at \$5m, the cost to the Bahamas of hosting the conference was expected to be closer to \$50m, as the Government of Prime Minister Sir Lynden Pindling works feverishly to rehabilitate this once attractive city after years of neglect.

Sir Lynden's political opponents claim he intends using the conference to improve his image abroad. A year ago, few would have bet on his chances at home after a commission inquiry revealed that some of his closest associates, including two Cabinet Ministers, were involved with drug traffickers and that he himself received millions of dollars from foreign interests in the Bahamas.

Not only has Sir Lynden survived the commission's findings, he remains firmly in control of

the governing Progressive Liberal Party. Dissenters who, like Mr Hubert Ingraham, the former Minister of housing, dared speak out against corruption and demand that the wrongdoers be made accountable, have been threatened with disciplinary action should they continue to do so. Mr Ingraham has been denied the opportunity to run again as a PLP candidate in the next general election.

The Prime Minister has managed to retain the party's confidence because in the 30 years he has headed the PLP no challenger has emerged to match his emotional appeal for the party's grass roots.

In one generation they have seen political power transferred to the black majority and their children become part of a rapidly expanding black middle class. Like the white minority, which has continued to prosper under the PLP, affluent blacks are equally reluctant to upset the status quo.

Since the commission ended last July, Sir Lynden has moved swiftly to reinforce his support among these groups by naming himself Minister of Finance in place of Mr Arthur Hanna. Mr Hanna resigned last October after failing to convince the Prime Minister he should step



Sir Lynden Pindling (above left), now Finance Minister as well as Prime Minister after the resignation of Mr Arthur Hanna (above right)

down in light of the commission's findings. During his 11 years in office Mr Hanna was frequently accused of frustrating national development through his ministry's bureaucratic mishandling of investor applications. Thus, while many businessmen sympathised with Mr Hanna's reasons for resigning, few were sorry to see him go. In the past year, at least six multi-million-dollar projects, including a \$15m brewery, have been announced, and the Prime Minister could speak confidently of being "in constant dialogue" with the business community.

roads, docks and airports essential to development have been allowed to fall into serious disrepair.

In August the Ministry of Works awarded contracts totalling \$3.7m for the reconstruction of 69 miles of road in six of the islands. The National Movement, the PLP's opposition in parliament, called the gesture "another empty promise" to bolster the Prime Minister's election prospects.

Nonetheless, the FNM has made little headway in winning support away from the PLP. Part of the difficulty is the apparent schism in the party. The public perception is that while Mr Hanna's resignation may be the head of the FNM in name, it is Mr Cecil Whitfield who calls the shots.

Generally regarded as a hot-head given to sometimes intemperant outbursts, Mr Whitfield shocked many people when he recently urged the FNM to greater militancy declaring: "Whatever it takes to get rid of Lynden Pindling, we will do it."

There are those in the PLP however who are deeply concerned by recent developments within the party. They see the stirring of legitimate dissent as a dangerous precedent, particularly where it involves the integrity of the Government.

Observed PLP representative Mr Sinclair Outer: "Nowhere in the free world do I know of any parliamentarian being censured for speaking out on matters of corruption."

Banks' role in steel group talks attacked

By Paul Taylor in New York

THE UNITED Steelworkers of America yesterday took out full-page advertisements in U.S. business press, attacking the role of the banks in negotiations over the future of financially troubled Wheeling-Pittsburgh Steel which filed for chapter 11 bankruptcy protection in April.

With new negotiations aimed at ending the 11-week-old strike by 8,500 steelworkers at Wheeling-Pittsburgh, the union's seventh largest steelmaker, entering a crucial stage, the union called on the steel group's creditor banks to play "their part" in a rescue plan.

The union claimed in its advert that the steel group's bank creditors are demanding "special treatment" while threatening to liquidate the company.

"The most modern steel mills in America won't run again without co-operation and fair play from the banks," the union advert says.

The union, which restarted negotiations with the steel group last week after Mr Allen Pansoon, Wheeling-Pittsburgh's largest shareholder, took control of the company and appointed a new management team, is resisting company attempts to reduce wages and cut pension benefits.

Wheeling-Pittsburgh has over \$500m in long-term debt, including almost \$300m which is owed to a group of banks led by Manufacturers Hanover.

Union and company negotiators are seeking to complete negotiations by the weekend in an attempt to end the strike and avoid possible liquidation of the company.

Aside from further wage reductions being sought by the company the other main sticking point is believed to be the company's proposal to restructure its already underfunded pension plan—a move which is understood to be being strongly urged by the banks.

The company has proposed a total wage and benefits package of \$16.55 an hour, down from \$21.40 an hour before the strike.

U.S. farm credit bank system set to lose \$2.6bn

BY WILLIAM HALL IN NEW YORK

THE TROUBLED U.S. farm credit bank system, which is seeking Government help to overcome recent losses, is expected to lose \$2.6bn (£1.9bn) over the next twelve months. The losses could be considerably larger if the farmer-owned co-operative banking system adopted the same loan loss rules as commercial banks.

The latest estimates of the scale of the losses of the troubled U.S. farm credit bank system are contained in a study by the General Accounting Office (GAO), a U.S. congressional watchdog agency. They are considerably higher than earlier estimates and underline the scale of the financial problems facing the federally sponsored agency, which accounts for more than a third of all U.S. farm lending.

Less than a month ago the U.S. farm credit system itself had forecast that it would lose between \$350m and \$400m in the current year.

If the farm credit system's losses approach the GAO estimates it will be far and away the biggest loss by a U.S. financial institution. Until now this dubious record has been held by the Continental Illinois, the big Chicago bank which lost \$1.1bn in 1984, and had to be bailed out by the U.S. Government.

The 50-page GAO report 'A preliminary analysis of the financial condition of the farm-

credit system'—concludes that the continued viability of the system depends on whether the trend of growing losses can be reversed over the relatively near-term and it says that "there is little to indicate that this will occur."

The GAO says there has been a "dramatic deterioration" in the farm credit system's loan portfolio in the first half of 1985 and as a result it believes that loan losses will significantly increase over the coming year. It estimates that the system's problem loans will triple to \$6.1bn over the next year.

Last month Mr Peter J. Carney, president of the Federal Farm Credit Bank funding corporation, said that at the end of June 1985 the system had \$745m in loan loss reserves as well as capital of \$50m and surplus of \$42m. He said that it was not possible to say how much of the system's total losses were uncollectable, but described as inaccurate suggestions that 15 per cent of the system's \$74bn in loans were uncollectable.

At the end of June the system had \$20m of non-accrual loans, or less than 3 per cent of the total. These are loans on which interest is not being accrued because of the ability of future interest is uncertain.

Jamaican economy 'may contract by up to 6%

BY CANUTE JAMES IN KINGSTON

THE JAMAICAN economy may contract by as much as 6 per cent this year, the island's Planning Institute has forecast.

The Institute said this would force the Government into increased austerity, including reduced imports and further cuts in government expenditure.

The island's economy grew by 0.3 per cent last year, and in December Dr. Headley, Brown, director of the Planning Institute, forecast growth of more than 2 per cent for 1985.

The latest report said the revised forecast was based on a decline in tourism, a fall in world aluminium prices and a

severe drought earlier this year which depressed agricultural output.

"Indications are that a somewhat higher fall in real terms might be experienced—ranging from minus 3 per cent to minus 6 per cent—if import and balance of payments are to be met."

The Government has been cutting back on expenditure over the last two years to meet its obligations to the International Monetary Fund. The fiscal deficit was reduced last year to 6.8 per cent of GDP, from 17 per cent in 1983.

The target for this year is a fiscal deficit of 2 per cent.

SMALLER THAN A WHISPER

Ultra mini microphone picks up even whispered conversations. Use it with any pocket recorder or one of our many special recorders. We specialize in solutions to your personal communications and security needs. Electronic eavesdropping from the fun to the fantastic. Come in for 5 minutes now and be amazed forever.

62 South Audley St.
Mayfair, London W1
Tel: 01 629 0223

COUNTER SPY SHOP

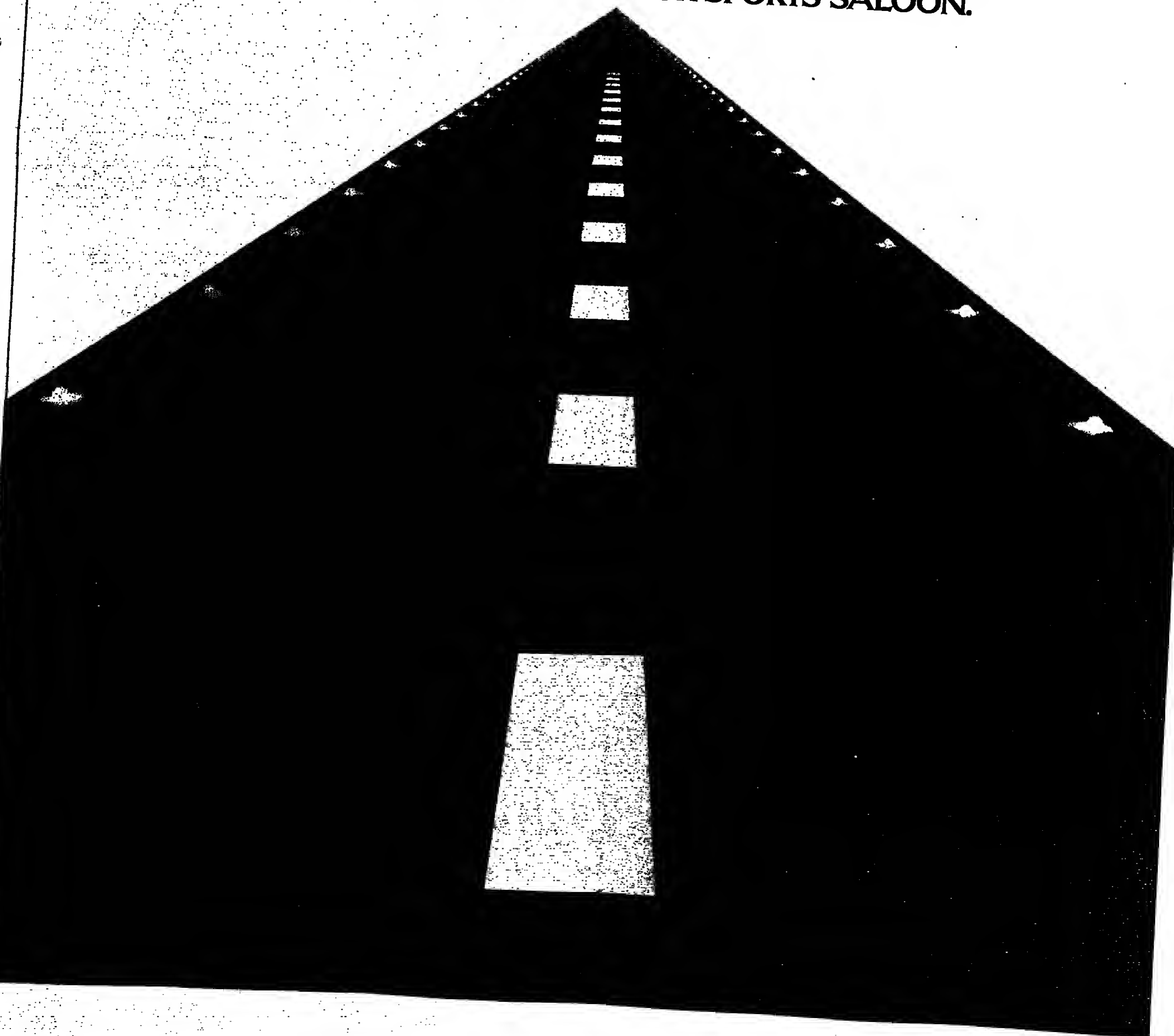
on time, within budget

We've put it in a tool for the ones who are on top of their business.

Mitchell Management Systems Generic managerial software to boost your opportunities.

UK Int Phone: 44 (0) 753-859252. The Netherlands Int Phone: 31 (0) 3402-31144.
Australia - Br. - The Netherlands - Switzerland - United Kingdom - USA - Venezuela

AT 10.15 TONIGHT ON ITV
AND TOMORROW IN CAR SHOWROOMS
ACROSS BRITAIN,
YOU WILL WITNESS THE AIRCRAFT INDUSTRY'S
FIRST MACH 0.2 FIVE DOOR SPORTS SALOON.



WORLD TRADE NEWS

Brother moves to offset EEC anti-dumping duties

By John Davies in Frankfurt

THE BROTHER manufacturing group of Japan, which has been hit by the European Community's anti-dumping duties on Japanese electronic typewriters, is looking to computer printers, microwave ovens and sewing machines to provide the strongest impetus in its important West German market in the next 12 months.

This is because Brother is still in the process of building up the volume and range of electronic typewriter production at its newly established factory at Wrexham in Wales.

The factory, with capacity to produce up to 240,000 electronic typewriters a year, is an attempt to get around the challenge of the high duties which the EEC has imposed at the request of European manufacturers.

Herr Rudloff, managing director of Brother International, the company's West German subsidiary, said that typewriters accounted for 75 per cent of its sales revenue in 1983-84, but might make up only 55 per cent in the next 12 months.

He said that as a result of the EEC duties, Brother International had hardly any growth in sales revenue in its financial year ended last month, after growth of as much as 40 per cent the previous financial year.

But he thought sales revenue could grow by 10 per cent to 20 per cent in the next 12 months, with

computer printers, microwave ovens and sewing machines imported from Japan contributing more than proportionately to the expansion.

The company has particularly high hopes of boosting sales of microwave ovens as the West German market has been lagging behind the UK and the US.

Last year West Germans bought a total of 200,000 microwave ovens, compared with as many as 1m in the UK and 10m in the US.

Herr Rudloff said that once the Wrexham plant reached full-scale production about mid-1986, electronic typewriters should again provide strong impetus to Brother's sales in EEC countries.

It was expected that about 40 per cent of the Wrexham production would be marketed in West Germany.

Brother now has about 10 per cent of the total West German typewriter market. Before the dumping duties were imposed it had about 15 per cent.

Japanese motorcycle exports are expected to top more than 4m units this year for the first annual rise in three years, agencies report.

Industry officials said the recovery has been largely due to higher shipments to the U.S. and a five-fold increase to China.

Exports peaked in 1981 at 5.53m and dropped 13.5 per cent in 1982 to 4.78m. In 1983 they declined 17.8 per cent to 3.93m.

W. German ships group to pull out of Pacific

By Andrew Fisher, Shipping Correspondent

HAPAG-LLOYD, the West German shipping company, is to pull out of the Pacific container market at the end of this year as a result of slackening trade and falling freight rates.

The company, with five chartered ships on the route which is the busiest for container shipping in the world, said this service was no longer viable because of over-tonnege and low rates.

The past few years have seen a surge of orders for new vessels on major container routes, notably the Pacific. Hapag-Lloyd, back in the black after a corporate restructuring which followed heavy losses in the early 1980s, said it saw no improvement on the Pacific routes in the near future.

It has been operating its service jointly with Sea-Land of the U.S. in one of the first rationalisation agreements among major container lines aimed at combating the growing surplus of tonnage.

The agreement with Sea-Land runs out at the end of the year. The service operates between Hong Kong, Taiwan and Japan and the U.S. ports of Tacoma, Oakland, and Long Beach. Hapag-Lloyd said the Pacific service was its only cross-trade (not involving call at a home port).

David Marsh on the problems facing the exports vetting body

CoCom comes under pressure



Perle: seeks bigger budget

TODAY'S meeting of top Western officials at the Paris headquarters of the 15-nation Coordinating Committee for Multinational Export Controls, usually known as CoCom, comes at an important time in the organisation's 36-year-history. CoCom, grouping all Nato members except Iceland, plus Japan, vets Western exports to East bloc nations to make sure that technology cannot be diverted towards improving the Soviet bloc's military effort.

For a mixture of political, economic and technological reasons, CoCom is now coming under a range of conflicting pressures. These are combining to put a vastly increased workload on CoCom's small full-time secretariat housed in a cramped annex of the U.S. embassy in the Rue La Boetie in the 8th arrondissement of Paris.

Mr Richard Perle, the U.S. assistant Defence Secretary for international security policy, who is in Paris for today's meeting, has recently urged an increase in CoCom's shoe-string budget. Even after increases in recent years, the total sum devoted to CoCom is only about \$1m a year. Mr Perle, a well-known supporter of more stringent efforts to prevent military technology seeping eastwards, would like to double or triple that sum to make CoCom "more effective."

The other 14 member countries — shortly to be joined by Spain, which has just made

its formal application to become a member — are unlikely to accede fully to the U.S. push for more funds and an enlarged headquarters. This is not least because of widespread feeling that CoCom can do its job better by remaining a diplomatic offshoot run according to informal rules rather than by becoming a fully-fledged multinational agency.

The U.S. has however paid for a batch of Wang word processors which have now been installed at the CoCom headquarters, helping speed up some of the routine administrative and translating tasks.

The CoCom's secretariat's workload, with about 100 separate western export deals referred to it a week, has risen sharply over the last few years for two reasons. The first is the warmer political climate with China, which has led to a rush of western high technology deals with Peking.

The second is the rapid advance of high technology trade in general. This is making ever more difficult CoCom's efforts at detecting the blurred and fast-moving demarcation lines between civilian and military technology.

To try to cope with the pace of technological change, CoCom next month will start operating a new system under which it will keep its main lists of embargoed products under continuous review. Up to now, the lists have been updated every three years. This process has become too inflexible to allow efficient vetting in fast-moving fields like computers, robotics and software.

China is still included in the formal group of countries to which embargo lists apply. (The others are the seven Warsaw Pact members, Vietnam, Mongolia, North Korea and Albania). CoCom has now started work on drawing up separate lists for China setting more generous limits on the products (including arms and civil nuclear equipment) which can be sold to Peking. Work on the first batch of these lists, incorporating what diplomats call the "China differential," will probably be completed next year.

They will pave the way for China to import more sophisticated telecommunications equipment as well as arms such as missiles and torpedoes.

Most of this year's delays faced by western exporters in winning export authorisation to China (criticised above all by U.S. companies) have been caused by the sheer weight of cases coming on to CoCom desks for vetting. But, in a few areas, the U.S. has served notice of misgivings about the sophistication of the technology passing to Peking.

The U.S. insisted on modifications being made in the E10 digital switching telephone exchanges sold to China earlier this year by a French consortium, part of the French nationalised Compagnie Generale d'Electricite group. (By coincidence, the CGE headquarters are next door to the CoCom offices in the Rue La Boetie).

An order won by another CGE company, Sesa, for a business communications network, has been held up because of American worries about U.S. military potential.

As an indication that it is serious in its stated intention of approving the Sesa deal on condition that certain sensitive features are toned down, this decision, made after Sesa officials asked for a special commission of French and U.S. experts, will be one of the most significant outward signs of the birth of the "China differential."

China 'to be compensated for faulty trucks'

By Robert Thomson in Peking

MITSUBISHI of Japan is to replace 5,824 trucks sold to China under contract late last year following Peking's complaints that the vehicles were defective, the Chinese Government says.

A month ago the People's Daily newspaper highlighted the allegations and demanded that the Japanese company pay compensation. Yesterday, the official news agency, Xinhua, reported that after friendly consultations, Mitsubishi will provide replacements for the FP-41E trucks, and "compensate for the economic losses incurred by China in order to safeguard its reputation."

Mitsubishi had sent technicians to China to inspect the trucks after various provincial authorities reported trouble with them.

In one example, officials in the Xinjiang autonomous region found defects in all 31 trucks.

Faults were said to range from fissures in the chassis to cracked windscreen glass and peeling tyres.

Japanese officials here have indicated that the Mitsubishi technicians examined how the trucks had been used by the Chinese.

The Xinhua report said the two sides reached agreement on September 30, with China represented by the China Machinery Import and Export Corporation. Mitsubishi guaranteed that the new trucks would be high quality products and would be "manufactured with a new design," the report said. Agreement came after about two weeks of negotiations.

In the weeks before the Mitsubishi case was publicised, the Chinese Press carried numerous stories on problems caused by allegedly shoddy imports, but the Japanese company was the first to be named. The earlier reported had cited problems with everything from Finnish artificial cotton to Japanese celophane.

Mitsubishi said: "It is true that we are now negotiating with the Chinese side, but we are not in a position yet to make details known."

Trinidad suspends Guyana credit facility

TRINIDAD and Tobago has suspended an all credit facility to Guyana which has been unable to clear debts of \$217m (£155m accumulated during the past two years, writes Canute James in Kingston.

Hungary aims to boost plastics exports

By Margie Lindsay

HUNGARY INTENDS to export more plastics and higher value-added chemical products to the West in the 1986-90 period, and also to import more advanced technology and basic chemical products from the West.

Mr Istvan Kortvelyes, deputy industry minister responsible for chemicals, said the share of Hungarian products for export is not expected to increase by volume, but that Hungary hoped it could increase significantly the value of its chemical exports to the West.

The Hungarian chemicals sector was hoping to reduce its production of high-energy, and raw material-based chemicals in favour of higher value-added products, such as certain types of rubber and plastics. Hungary is looking for possible joint ventures with Western companies.

Sharp to make typewriters in U.S. and Britain

By Carla Rapoport in Tokyo

SHARP, the Japanese electronics company, has decided to produce electronic typewriters in the U.S. and Britain because of mounting trade friction between Japan and the West.

The company said yesterday that it will probably produce the typewriters in Britain at its videotape recorder plant in Wrexham, North Wales. In the U.S., it will use its microwave and colour television plant in Memphis, Tennessee.

The company does not yet have a timetable for the new investments, but intends to complete these and other details within the next few months.

In June, the EEC imposed anti-dumping tariffs of up to 35 per cent on Japanese electronic typewriters. Further, in the U.S., Japanese companies fear that proposed protectionist

legislation may be approved if action to decrease exports is not taken swiftly by major exporters.

Sharp said that its total typewriter shipments to both the U.S. and Europe are about 30,000 units a month, making it the fourth largest Japanese typewriter exporter.

The company says it hopes the new production lines in the U.S. and Britain will eventually replace these exports.

Sharp's move is the latest in a series by Japanese companies aimed at heading off protectionist sentiment in the U.S. and Europe.

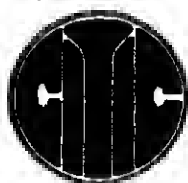
Komatsu, the construction machinery maker, last month confirmed it is considering a UK manufacturing site, while Canon has announced plans to boost its overseas production output of office equipment.

New Issue
October 8, 1985

This advertisement appears
as a matter of record only.

CHINA INTERNATIONAL TRUST AND INVESTMENT CORPORATION

Beijing



DM 150,000,000
6% Deutsche Mark Bonds of 1985/1991

Offering Price: 99 3/4%
Interest: 6% payable annually on October 8 of each year
Repayment: October 8, 1991 at par
Listing: Frankfurt am Main

Deutsche Bank Aktiengesellschaft		
Commerzbank Aktiengesellschaft		
Bayerische Vereinsbank Aktiengesellschaft	Industriebank von Japan (Deutschland) Aktiengesellschaft	Kleinwort, Benson Limited
Morgan Grenfell & Co. Limited	Nomura Europe GmbH	Orion Royal Bank Limited
Paribas Limited	Shearson Lehman Brothers International	Swiss Bank Corporation International Limited
Algemene Bank Nederland N.V.	Amro International Limited	Baden-Württembergische Bank Aktiengesellschaft
Julius Baer International Limited	Banca Commerciale Italiana	Banca del Gottardo
Bank of America International Limited	Bank für Gemeinwirtschaft Aktiengesellschaft	Bank Leu International Ltd.
Bank of Montreal	Bank of Tokyo (Deutschland) Aktiengesellschaft	Bank J. Vortobel & Co. AG
Banque Bruxelles Lambert S.A.	Banque Française du Commerce Extérieur	Banque Générale du Luxembourg S.A.
Banque Indosuez	Banque Internationale de Luxembourg S.A.	Banque Nationale de Paris
Barclays Merchant Bank Limited	Baring Brothers & Co. Limited	Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft
Bayerische Landesbank Girozentrale	Joh. Barenberg, Gossler & Co.	Berliner Bank Aktiengesellschaft
Berliner Handels- und Frankfurter Bank	Chase Bank AG	Chemical Bank International Limited
CIBC Limited	Citibank Aktiengesellschaft	Compagnie de Banque et d'Investissements, CBI
Country Bank Limited	Crédit Lyonnais	Creditanstalt-Bankverein
CSFB-Effektenbank AG	Daiwa Europe (Deutschland) GmbH	Deutsche Bank
Deutsche Girozentrale	DG Bank	Deutsche Siedlungs- und Landesrentenbank
Deutsche Kommunalbank	Deutsche Genossenschaftsbank	Fuji International Finance Limited
Eurocomobiliare S.p.A.	Europäischer Asien Bank Aktiengesellschaft	Goldman Sachs International Corp.
Generale Bank	Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft	
Hamburgische Landesbank	Georg Henck & Sohn Bankiers Kommanditgesellschaft auf Aktien	Hessische Landesbank
Girozentrale	Istituto Bancario San Paolo di Torino	Kreditbank S.A. Luxembourg
Hongkong Bank Limited	Kreditbank S.A. Luxembourg	Kreditbank S.A. Luxembourg
Kreditbank S.A. Luxembourg	Landesbank Rheinland-Pfalz	Landesbank Rheinland-Pfalz
LTCB International Limited	Landesbank Rheinland-Pfalz	Landesbank Rheinland-Pfalz
Merrill Lynch International & Co.	Manufacturers Hanover Limited	Manufacturers Hanover Limited
Mitsui Finance International Limited	S. Metzler & Sohn & Co.	S. Metzler & Sohn & Co.
Morgan Stanley International	Samuel Montagu & Co. Limited	Samuel Montagu & Co. Limited
Nippon Kangyo Bank (Europe)	New Japan Securities Europe Limited	New Japan Securities Europe Limited
Sat. Oppenheim jr. & Co.	Norddeutsche Landesbank	Norddeutsche Landesbank
J. Henry Schroder Wagg & Co. Limited	Girozentrale	Girozentrale
Standard Chartered Merchant Bank Limited	N.M. Rothschild & Sons Limited	N.M. Rothschild & Sons Limited
Svenska International Limited	Smith Barney, Harris Upham & Co. Incorporated	Smith Barney, Harris Upham & Co. Incorporated
Tokai International Limited	Sumitomo Finance International	Sumitomo Finance International
Verins- und Westbank Aktiengesellschaft	Swiss Volksbank	Swiss Volksbank
Westdeutsche Landesbank Girozentrale	Trinkaus & Burkhart	Trinkaus & Burkhart
	M.M. Warburg-Brinckmann, Wirtz & Co.	M.M. Warburg-Brinckmann, Wirtz & Co.
	Westfälische Landesbank Aktiengesellschaft	Westfälische Landesbank Aktiengesellschaft
	Yamaichi International (Deutschland) GmbH	Yamaichi International (Deutschland) GmbH

Tomorrow is Taking Shape all Over the World.

TRW is a widely diversified company on the leading edge of electronics, space, automotive, industrial and energy technologies.

Our Tracking and Data Relay Satellite System provides a vital communications link between space shuttle missions and Earth. The A310 Airbus — one of the most advanced of present passenger planes — is equipped with TRW turbine assemblies in its engines. And there is hardly a car or truck on highways anywhere without a TRW part.

From computer software to bearings and fasteners, TRW ideas have changed dozens of industries. These ideas have been brought to life by 93,000 people in 27 countries with a commitment to innovation and excellence.

Tomorrow is taking shape at a company called TRW.

©TRW Inc. 1985
TRW is the name and mark of TRW Inc.
TRW Inc., Cleveland, Ohio, USA

TRW Cam Gears
TRW Nelson

TRW Transportation
Electronics
TRW Valves

TRW United-Carr
TRW Ceramics
TRW Connectors

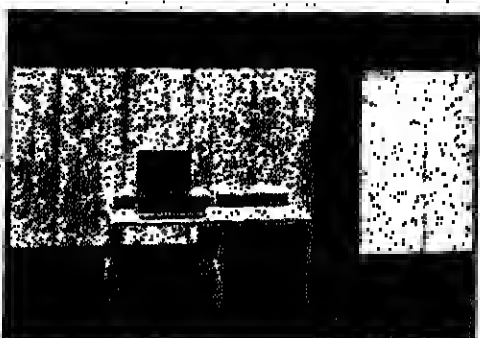
TRW

HOW ONE DECADE OF COMPETITION HAS BENEFITED LARGE-SCALE COMPUTER SYSTEM USERS.

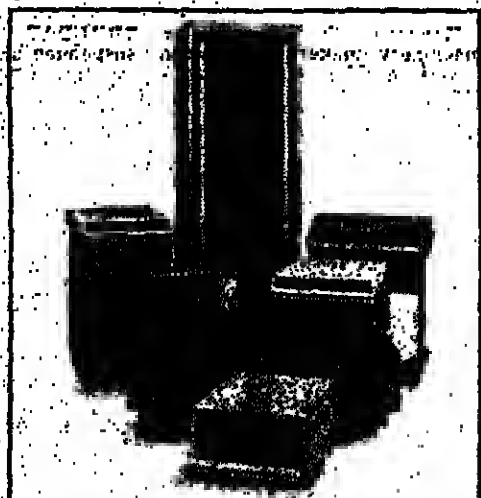
Ten years of choice



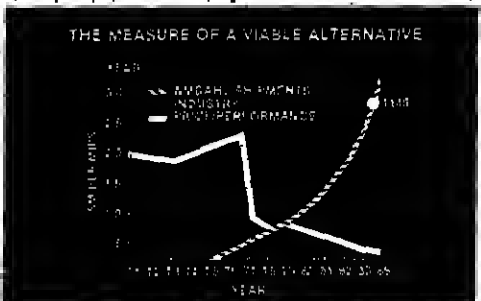
Amdahl employs 7,000 people throughout the world, to develop, build, maintain, install and support over 1,200 large scale computer systems. The largest single group is dedicated to customer engineering and support. Successive independent surveys show Amdahl to be top in customer satisfaction ratings, ahead of all competitors.



Amdahl systems protect users' strategic investments in operating and application software. The recognised longevity — planned product enhancement, not obsolescence — lowers longer term operating costs, too.



Amdahl innovation is now also directed toward data communications, and large-scale storage systems. All technologically advanced, and highly reliable. All with better price/performance.



In 1975 Amdahl started shipping its innovative new systems. In 1975/76 the cost of data processing power fell by over 50% and by a factor of ten over the past ten years. Cause, and effect, continue, with \$800 million of Amdahl systems and services sold in the past year.



Amdahl users make better use of their DP budgets. Buying an Amdahl 470/V6 in 1976, a 470/V8 in 1980 and a 5860 in 1983 would have saved a user \$4.5 million at published prices over the period. IBM comparison machines are 370-168, 3033U and 3081K.

Ten years ago, the Amdahl Corporation delivered the world's first large-scale IBM-compatible computer, to NASA in Washington, D.C.

For the previous five years, Amdahl had been developing a product line of systems which would be technologically superior and which would provide more computing power at lower cost.

Ten years ago those objectives were met. The first Amdahl computer, the 470, was half the size of comparable machines. It was more reliable. It was cheaper. And, it introduced concepts such as on-site upgrading, power acceleration and remote diagnostics.

Amdahl's success changed the large-scale computer system marketplace. Previously IBM users had no choice. Now, they could choose to buy a demonstrably better machine, at a lower price.

And they did. Today, Amdahl has over 1,200 systems installed worldwide. Successive generations of products — CPUs, storage devices and communications — continue Amdahl's innovation, reliability and cost effectiveness.

With the strength of Amdahl's financial foundations, an R & D budget at 15% of revenue, a fast-growing customer base, and strategic international business alliances, the choice is clear.

With Amdahl, look forward to the next ten years of choice.

amdahl



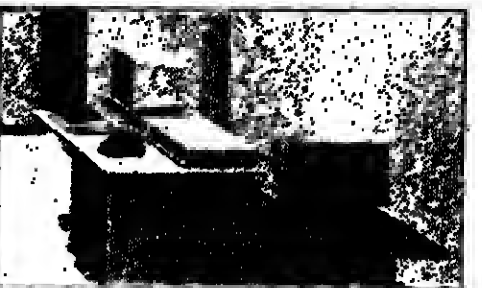
Amdahl European headquarters are at Dogmersfield Park, in Hampshire. Here too is the Amdahl remote diagnostic centre, monitoring the hardware and software performance of Amdahl systems throughout Europe.



European Manufacturing: Many systems outside the United States are supplied from Amdahl's Dublin plant which is currently being doubled in size to some 160,000 square feet. The existing 290 strong manufacturing group is being expanded by creating a further 200 jobs over the next three years.



In addition to hardware and support Amdahl offers a range of educational and professional services. Customer training courses and self teaching aids cover the whole range of systems software. Consultancy services can be provided for everything from installation planning to system tuning.



Compatibility plus: Amdahl supports the major system control programs offered by IBM, making enhancements to them as they are introduced. Amdahl's own software products enhance the performance of 'industry standard' software, and, by fully supporting AT & T's Unix software for mainframes give large-scale users a choice in operating systems.



If you, and your managers, would like to know more, to help you choose the better alternative in large-scale computer systems, contact in the UK our Managing Director Bryan Little, today.

Amdahl (U.K.) Ltd., Viking House, 29/31 Lampton Road, Hove, Sussex, Middlesex TW3 1JD, United Kingdom. Tel: 01/572 7383.

TECHNOLOGY

EDITED BY ALAN CANE

Engineers can 'visualise' the flow of fluids through an engine by tracking sub-atomic particles, reports David Fishlock

High energy physics sees to the heart of an engineering problem

TWO big British engineering companies are collaborating with university scientists in what they believe is the first application of high energy particle physics to an engineering problem. At a cost of about £1m they have shown how they can illuminate engines with beams which clearly reveal the flow of lubricants and coolants while the engine is running at full speed.

Professor John Walker, head of the department of applied nuclear science at Birmingham University, sees the new engine diagnostics tool as a physicist's solution to an engineering problem. "It is most unlikely that the engineer would think of it," says the professor, who is convinced the idea can be used to investigate many other industrial processes.

The story begins with the advanced projects group of Rolls-Royce at Bristol, led by Peter Stewart, a former rocket engineer. Since 1970 Stewart has been pursuing the goal of making the gas turbine transparent, so that its designer could follow the behaviour of its myriad mating parts as they gain speed.

First the advanced projects group developed ways of X-raying the engine on its test bed, which shows how the rotating parts move as the engine warms up, and how

successfully the designer is sealing the engine against unwanted leaks of air or gas. According to Stewart, the combination of X-radiography and his group's use of photogrammetry to very fine tolerances added 140 hp to the output of Rolls-Royce's Gem helicopter engine, designed originally for 960 hp.

Next the group developed ways of using neutrons from a research reactor at Harwell to photograph the engine and reveal non-metallic parts including the way the vital oil coolant and lubricant systems behave. Neutron radiographs of a running Gem engine showed that an oil jet designed to lubricate gears was in fact being blown aside by the breeze created as the gears spun. Others disclosed bubbles and "holes" at critical points where designers had assumed that the system was filled with oil.

The disadvantage of neutron radiography is that it needs a nuclear reactor to generate enough neutrons. Rolls-Royce needed a "camera" compact enough to move between the test-beds of Bristol, Derby, Leamington — wherever its various aero-engines were being developed.

In 1979, Peter Stewart invited Dr Mike Hawkesworth of Birmingham University, Britain's foremost authority on

neutron radiography, to think of a new way of "visualising" the flow of the oil and air in an engine. Dr Hawkesworth's answer was PET, positron emission tomography, a new technique born of high energy particle physics which was beginning to excite medical scientists as a non-invasive way of investigating the human body.

In 1981 the Science and Engineering Research Council awarded what was then the biggest grant it had ever made under its co-operative research grants scheme to encourage academic-industrial collaboration and technology transfer. Partners in the collaboration were Rolls-Royce and Burmah Castrol (the specialists in "liquid engineering"), Birmingham University, and the SERC's Rutherford Appleton Laboratory. Between them, the partners put up £750,000 for the research.

So commercially important was the technique to Rolls-Royce that they all agreed to give the project the sardonic title of "fluid flow tracing using radio-isotopes" to put industrial competitors off the scent.

How PET uses the radio-isotopes is described in the accompanying box. The Rutherford Appleton Laboratory was commissioned to build a bigger version of the multiwire

proportional counters — the detectors required for the imaging system — than they had ever attempted for the physicists before. These were to be 60 cm by 30 cm of active area, compared with only 30 cm by 30 cm, the biggest then being used. This contract for the "camera head" alone was worth £167,000.

The complete PET camera consists of the pair of sensors

plus the computing and image processing capacity needed to generate vivid colour images of the flows. Like the medical scanners, PET electronics can "slice" their way through an engine in any direction, displaying each section in turn, for the designer to pinpoint the feature of interest and freeze it on his screen.

The source of the positrons — positive electrons — is a short-lived radio-isotope such as gallium-68, rubidium-82 or fluorine-18. Dissolved in paraffin, the isotope can readily be dispersed to activate the fluid system without changing any other characteristics. Alternatively, it can be inserted as a point source of positrons.

Burmah Castrol is using PET at its laboratories by the Thames at Pangbourne to follow the lubrication of reciprocating engines. It has embarked on a programme to investigate its value in diagnosing such troubles as flow splitting, oil stagnation, and foaming in lubricating and cooling engines and bearings. In the PET images, metal parts are invisible and only the fluids appear on the screen as coloured images which vividly reveal the density as well as the presence of oil.

But it is the gas turbine which presents the toughest problems for PET, says Dr Hawkesworth, because everything happens at such high speed. The Gem engine they are investigating at Birmingham runs at up to 37,000 rev/min. Its bearings are much more complex than those of a reciprocating engine, partly to counter the high centrifugal forces which strive to displace the oil.

But for Peter Stewart the big incentive is to cut the oil inventory of an aero-engine — and hence its weight — by using the oil more efficiently to lubricate and cool.

The PET research collaboration between these four partners has just been extended for another two years, bringing the total commitment to £1m. By 1987, Stewart is confident that PET will join his older imaging systems as part of the suite of techniques for making the gas turbine transparent. By then he also expects PET to be measuring the velocity as well as the volume of oil present.

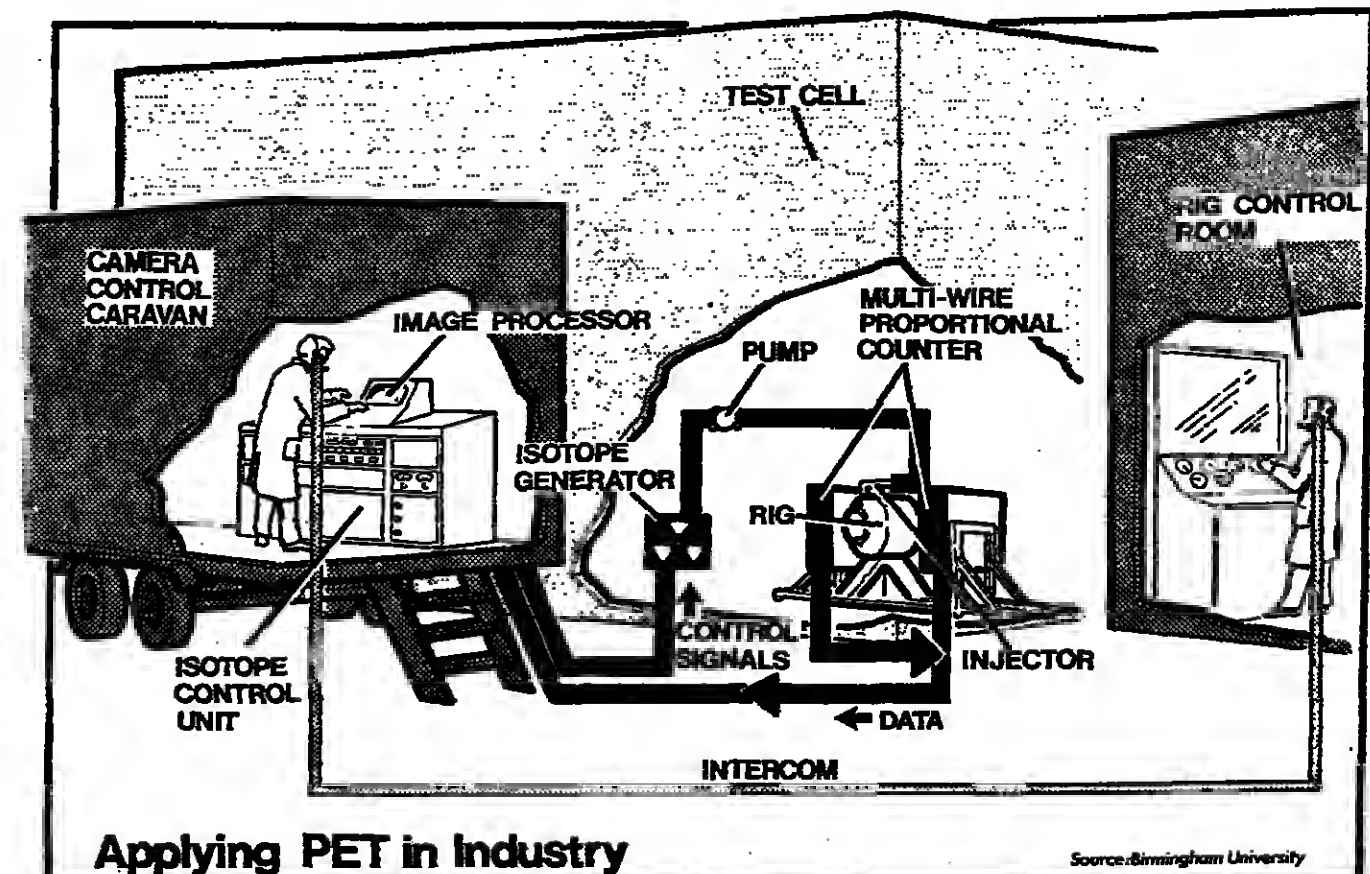
For Rolls-Royce, the transparent engine is an important part of the search for ways to minimise the number of engines the company makes

and breaks during the development of any new engine. Traditionally, this empirical approach to design has dominated aero-engine development. Now it is recognised to be slow, clumsy and very expensive.

For Birmingham University, PET opens the possibility of a wider basis for collaborative research into the industrial uses of what was previously regarded as an exclusively medical diagnostic technique. Dr Hawkesworth believes PET is ready to be applied to the analysis of simpler systems such as batteries, chemical reactors and fluidised beds.

The university is already discussing the idea of operating a commercial PET diagnosis service for industry through its new Institute for Research and Development. One idea is that it might be a joint venture involving Rolls-Royce and Burmah Castrol.

The collaboration even has a spin-off for medical research. The Rutherford Appleton Laboratory has been commissioned to make a carbon copy of the Birmingham University's PET camera for the next phase of research in medical diagnostics at the Royal Marsden Hospital in London.



Applying PET in Industry

Source: Birmingham University

How positrons are generated and traced

POSITRONS are positive electrons, the "anti-particles" of electrons hypothesised by Dirac from cosmic ray research in 1920, and first discovered in 1932. They have the same mass as an electron but a positive charge.

Positrons are present in cosmic rays but are also emitted by some radio-isotopes. When a positron meets an electron — within about a microsecond because the world is full of electrons — the two particles cancel each other out by mutual annihilation. The energy of the encounter reappears as two

photons of 511 kilo-electronvolts (keV) which fly off in opposite directions. Dr Eddie Bateman of the Rutherford Appleton Laboratory has specialised in developing a new sensor which can detect these co-linear 511 keV photons.

A positron-emitting isotope can be introduced into an engine either as a point source or distributed throughout the lubricating system. The emission of positrons is registered by a pair of positron-sensitive counters placed each side of the engine. The

positron emitting tomography (PET) camera system then translates the record of annihilations into "maps" depicting a precise slice through the engine, just as medical scanners picture a slice of a patient.

The isotopes used are short-lived — gallium-68 has a half-life of 68 minutes. They are available on the spot from transportable isotope generators ("cows"). The photon energy of 511 keV is enough to provide images through realistic thicknesses of metal.

Compared with medical

uses of PET — a powerful tool for investigating thyroid and other disorders — industrial exposure times can be much longer, and the images correspondingly more revealing. Also the computer can superimpose an accurate drawing of the engine upon the PET image to pinpoint an aberrant feature precisely.

In this way, researchers at the Birmingham Radiation Centre have found it possible to measure the thicknesses of oil films even when these are much less than the resolving power of the PET camera.



Hitachi began giving the powers of perception to machines long ago. More than 50 years ago, in fact, with the development of a bimetal thermostat to control cooling temperatures in electric refrigerators back in 1928. The legacy: Electrical equipment capable of seeing, hearing and even touching as humans do, but with much greater acuteness and accuracy.

Electronic eyes, ears, nose and nerves

Today, the results of Hitachi research can be seen all around you. Automobile fuel injection systems with uniquely designed sensor feedback circuits to control air flow electronically. Voice-pattern recognition units and smoke sensors for office building security. Welding robots that use "wrist-mounted" sensors to detect changes in workplace dimensions.

Our engineers have applied new semiconductor technology to pressure gauges, photocells and pickup tubes. They have reduced sensor size, yet increased sensitivity and control, while creating better materials and production processes that improve energy efficiency and ensure absolute quality.

In fact, we are constantly coming up with innovations and new applications. Most recently The world's first MOS image sensor for much lighter, more compact

video cameras with exceptional solid-state colour and clarity.

These are just a few of the ways in which Hitachi puts sensor technology to work for you. Developing practical tools that meet your needs...and those of professionals in manufacturing, medicine, and virtually every other field you can name.

The best of worlds is yet to come

Our vision of the future includes intelligent robots that learn through 3D optical sensors. Health detectors that monitor patients' life functions and report changes to computer-aided medical centres. Carbon dioxide sensors for regulating atmospheric conditions in agricultural complexes. Nutrient detectors that determine food freshness. And much, much more.

We'd like you to share in the benefits of our scientific research, covering the next generation of lasers, optical transmitters, liquid crystal displays and other electronic devices. For improved business efficiency. For a high quality of life. Two goals we've pursued for 75 years as part of our commitment to a better world through electronics.



WE BELIEVE SENSORS ARE THE LINK BETWEEN HUMAN NEEDS AND TECHNOLOGY


HITACHI

Realise the potential of Teletext

We transmit Pages 400 on VHS to be used with our VHS Transmitters in BBC and other systems. We have the software and the hardware to fully explain Teletext.

Electronic Systems (Marketing) Ltd
0707 261461

Link for computers and telex

TELEX MESSAGES can be sent from an IBM PC or a compatible personal computer using a package of hardware and software from Dateline Systems of London (01-403 2221).

Called PC Telex, the system costs £1,495 and consists of a printed board that plugs into one of the backplane slots of the PC, some software on a 5.25 inch floppy disk and a modem or transceiver device that allows data to be sent over telephone lines.

Easily installed by the user, the package provides basic text editing, or standard computer files prepared using any standard word processing package can be called up and telexed with ease.

The system provides multi-dialling, automatic re-try of a number found to be engaged, answerback checking, time "stamping" and facilities that allow a message to be sent at some chosen moment in the future.

Wet sponge to pinpoint flaws

ELCOMETER Instruments of Manchester has developed a range of portable, battery-operated devices to detect pinholes and small pores in coatings.

The devices are based on the "wet sponge" method. A low voltage is passed through a damp sponge which is wiped across the coating under test. If a flaw in the coating is encountered, the current is conducted to the substrate which sets off an alarm.

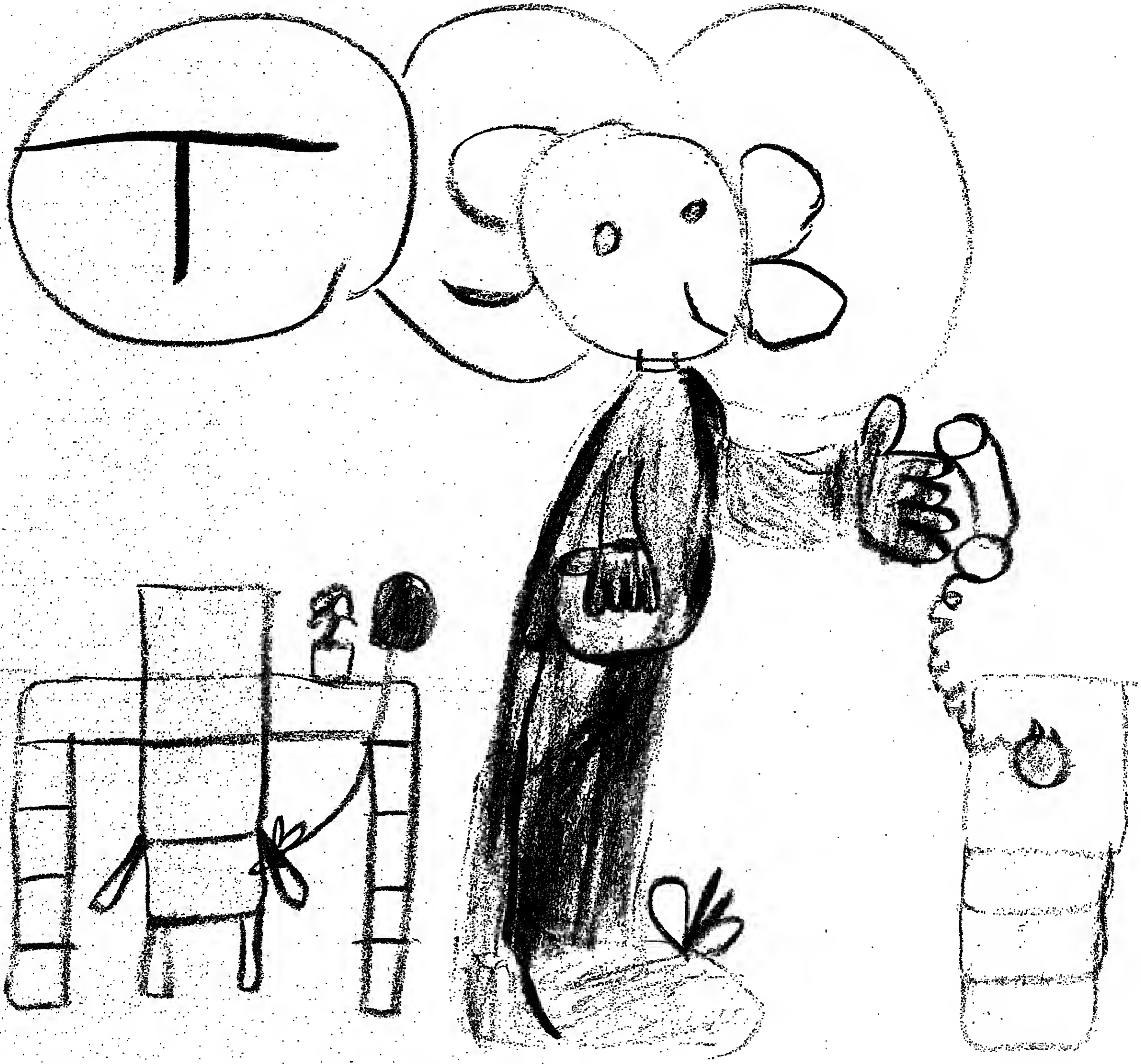
The makers see the devices being used for testing pipelines, structural steel, tank linings and ships' hulls. The flaw which can be detected can be up to 500 microns (millionths of a metre) in diameter.

Elcometer is on 061-370 7611.

Realise the potential of Teletext

Desk

Link for computer and teletext



My dad's boss
by Karen Hamilton
age 7

Karen thinks Milton Keynes is great. Her dad wouldn't say no to that. How could he? He works for the TSB in Milton Keynes....

Moseley, Hallgarten, Estabrook & Weeden Holding Corporation

is pleased to announce the following appointments

Hikmat Nashashibi
Vice Chairman and Member of the Board, Moseley, Hallgarten, Estabrook & Weeden Holding Corporation

Member of the Board and Chairman of the Policy Strategy Committee of Moseley, Hallgarten, Estabrook & Weeden Inc.

Omar Kassem
Board Member and Executive Vice President, Moseley, Hallgarten, Estabrook & Weeden Holding Corporation

Board Member and Head, International Business, Moseley, Hallgarten, Estabrook & Weeden Inc.

MOSELEY

Moseley, Hallgarten, Estabrook & Weeden Holding Corporation is a financial services holding company. Its primary subsidiary, Moseley, Hallgarten, Estabrook & Weeden Inc., is a full service New York Stock Exchange member firm.

The above announcements are made on behalf of Moseley, Hallgarten, Estabrook & Weeden Holding Corporation by Webster Communications International Ltd, London. For further details contact 01-248 1312.

Ministers tackle Anglo-Irish security

By Margaret Van Hattem

REMAINING Anglo-Irish differences over security matters in Northern Ireland were discussed for more than two hours yesterday at the Foreign Office, by Sir Geoffrey Howe, Foreign Secretary; Mr. Tom King, Northern Ireland Secretary; Mr. Peter Barry, Irish Foreign Minister; and Mr. Dick Spring, deputy Irish Prime Minister.

The talks were later described as "no more than routine." However, both sides still appear to be preparing for an Anglo-Irish summit shortly after both parliaments resume later this month. There is an understanding that no such meeting would take place unless it were certain to produce an agreement.

Both sides appear convinced that to allow a summit to take place at which the two Prime Ministers failed to agree would be far more damaging than to fail to hold a summit.

Any announcement of a date is likely, for security reasons, to be made at the very last moment. Both sides appear anxious to present any agreement resulting from the summit to their respective parliaments as quickly as possible.

The Irish Government was yesterday playing down the significance of comments of Mr. Charles Haughey, leader of Ireland's Fianna Fail opposition party, who said at the weekend that his party would oppose any agreement that was harmful to the principles of Irish unity.

Such a stand would not, officials said, be inconsistent with support for the agreement in prospect.

In any case, Mr. Haughey is understood to have been left in no doubt that the Social Democratic and Labour Party, main voice of the minority community in the north, will not only dissociate itself from any wrecking tactics—but would also strongly condemn Mr. Haughey if he indulged in them.

West German investment doubles in two years

BY CHRISTIAN TYLER, TRADE EDITOR

WEST GERMAN direct investment in the UK has more than doubled in two years and most of the larger manufacturers already in Britain intend to expand over the next five years, according to the German Chamber of Industry and Commerce in London.

The value of that investment was just over DM 6bn (£1.5bn) at the end of last year, after three years in which companies transferred capital of over DM 1bn annually.

The surge in investment, however, was from a low base. West German companies have traditionally been exporters, not overseas investors, the chamber said. British direct investment in West Germany is much larger, roughly DM 10bn.

The chamber's figures, published with a survey of investment intentions yesterday, are not transfers and do not include an estimated £100m attributable to banks and other financial institutions.

The bullish trend identified by

the survey does not mean that German companies will set up volume manufacturing businesses in Britain.

Dr. Wolfgang Klein, managing director of AEG-Telefunken (UK), said yesterday it was uneconomic to transfer big operations to Britain without a large existing market share. Most goods could be easily modified and shipped from German factories. "But many companies will manufacture here on a specialised basis," he said.

The chamber's survey of the 700 service or manufacturing operations in Britain produced only 283 replies, mainly from the bigger companies. Of these, 87 per cent of the manufacturers said they would expand and a quarter said they would start production. Nearly 90 per cent claimed "satisfactory to excellent" returns and "good or excellent" labour relations.

British productivity was rated as "good" or "excellent" by 63 per cent

of the manufacturers and by 71 per cent of the sales companies.

Obstacles to investment in the UK included high German prices, lack of skilled British labour and good agencies, tough technical and safety standards, slow customs clearance at the sea ports, high rents and rates (property taxes) and, to a lesser extent, public sector "buy British" policies.

Labour costs, however, were 37 per cent lower than in West Germany, including non-wage benefits, corporation tax was lower and tax allowances in general higher. The high UK unemployment rate had helped labour productivity.

Strikes were not regarded as a big problem, although the miners' 12-month stoppage hurt a few companies, like Thyssen which supplies the National Coal Board.

The UK is the second favourite market for direct investment after the U.S., according to the chamber.

State steel sector heads for profit

BRITISH STEEL Corporation (BSC) is on track this year to make its first profit since 1974, excluding exceptional items. Sir Robert Ham, the chairman, said yesterday that the corporation had been making small profits in each month since the end of the miners' strike last March and he expected the trend to continue.

He recalled that BSC had claimed that it would have made a profit of £40m in 1984-85, but for the exceptional costs arising from the miners' strike. In the event, BSC had a loss last year of £140m, excluding exceptional charges.

Sir Robert said BSC's profit in the first half of the present year to September 30 was about £20m. This was similar to that of last year but excluded the effects of the coal strike.

He declined to forecast a result for the full year, but said he expected the corporation to be in profit when he left next May to become chairman of the National Coal Board.

Sir Robert also said that BSC's programme of privatising peripheral businesses was nearly ended. The last big project, in which BSC's engineering business is to be combined with that of Guest, Keen and Nettletons, should be completed in the next few months.

He said BSC's remaining operations, including stainless steel, tinplate and stockholding, and the bulk steels division, constituted a core. While privatisation of these interests was still the Government's objective, this was still some way off.

Steel capacity in the industrialised countries will be cut further as a result of stagnating demand, but the reductions will be less severe than in recent years, according to Mr. Jan Hooglandt, chairman of the International Iron and Steel Institute (IISI).

Speaking on the opening day of the IISI annual meeting in London, he said the IEC had eliminated some 30m tonnes of steel capacity since the peak level of 1980 to reach 155m, with cuts of 12m tonnes to 125m in Japan and 24m to 121m in the U.S. since the peak level of 1977. Total steel capacity in the West is around 560m tonnes against 535m tonnes in 1974.

GOOD RELATIONS, the public relations and advertising agency that suffered a boardroom upheaval two months ago, has announced the resignation of yet another director and the appointment of two new board members.

Mr. Jim Wakeley, who has been a board member for five years and was to have gone to New York as head of the company's operations there, has resigned from the company for personal reasons.

The two new board members are Mr. Jeffrey Lyles, head of Good Relations' technology company, and Mr. Derek Robinson, chief executive of Pace Bookings, a creative services company acquired earlier this year.

HOOPER UNIVERSAL, which claims to be the biggest supplier of seat frames to the UK motor industry, is setting up a joint manufacturing venture with Ikeda Bussan, a Nissan subsidiary to supply seats to Nissan's car plant at Washington in the north-east of England.

The plant will initially involve 50 to 60 jobs and up to 200 by the late 1980s if Nissan goes ahead as expected with the second phase of its project.

CATERPILLAR TRACTOR, the U.S.-based construction equipment group, has reached a third successive long-term agreement embodying substantial improvements in worker flexibility with 600 manual workers at its Uddingston plant, near Glasgow.

The company signed its first long-term agreement at Uddingston in 1980.

BT names operations chief

BY JASON CRISP

BRITISH TELECOM (BT) has appointed a chief of operations who will take over many of the day-to-day responsibilities of running the company from Sir George Jefferson, who remains as chief executive.

The new post goes to Mr. Ian Vallance, at 42 the youngest member of the board, who is now clearly the heir apparent to Sir George whose contract still has more than two years to run.

Commenting on this and other appointments Sir George said: "These changes will leave me with more time to concentrate on the strategic issues facing the future of the company and on shaping the company to enable it to meet the challenges and opportunities both here and overseas."

Although Sir George is giving up

much of his responsibility he will now take a more direct interest in BT's acquisition search.

Mr. Vallance who has had a meteoric career at BT was managing director of the Local Communications Services (LCS), by far the largest division in the company, since 1983.

He is succeeded at LCS by Mr. Michael Bell, who was director for personnel and corporate services. This represents a significant promotion and is particularly interesting as he does not have a telecommunications background.

Mr. Bell, formerly personnel director at GEC and the BBC, has a long track record of negotiating with trade unions. LCS employs 84 per cent of BT's 235,000 employees and is likely to face substantial job

cuts at the end of the decade as the result of the introduction of new technology. The division includes all the local exchanges with a large number of maintenance engineers, the installation staff and operators.

The one person who appears to have lost out in the changes is Mr. John King, director of marketing and corporate strategy, who becomes managing director of the newly formed Overseas Division (Contracting). This mainly consists of Telecomsat, a small consultancy arm which advises overseas administrations, an activity which BT is trying to expand.

Mr. King had been responsible for co-ordinating marketing between BT's different divisions and leading the company's apparently ambitious search for acquisitions.

Britain still tops TV sales in Europe

By Jason Crisp

SALES OF colour televisions in the UK rose slightly in the first half of the year over the record levels of 1984, ensuring that Britain is still the strongest European market. Last year about 40 per cent more sets were sold in the UK than West Germany, the second largest market.

Suppliers have, however, been hit by the continuing weakness in price and a reduction in stocks by retailers and the rental companies. As a result deliveries to the trade in the first six months fell by 11 per cent to 130m, according to the latest figures from the British Radio and Electronic Equipment Manufacturers' Association (Brema).

The greatest fall was in small screen televisions where deliveries dropped by 18 per cent. Much of the recent boom in sales of colour TVs has been caused by a tremendous upsurge in demand for small sets typically being bought for the bedroom, cottages and caravans, children and home computers.

Imported small TVs dropped by some 45 per cent reflecting the significant increase in UK production this year. The number of small sets made in the UK rose 35 per cent to 183,000, overtaking the number of imports. According to Brema, imports of all colour TVs in the second quarter accounted for 32 per cent of deliveries to the trade compared with 42 per cent in the same period last year.

Deliveries to the trade of televisions with teletext—the broadcast information and news service—fell some 17 per cent in the second quarter. However, Brema notes that sales and rentals have been increasing during the first half of the year and that stocks have fallen to inadequate levels.

Ironically, the industry, which includes broadcasters, manufacturers, retailers and renters, has just embarked on joint promotion of teletext with the object of selling 1m sets in 12 months. It now appears that there will be shortages of teletext sets.

Brema figures show a very strong improvement in demand for audio products. Deliveries to the trade of music centres—which includes multi systems and lower units—jumped by 34 per cent in the first six months of the year. The strongest demand is for multi systems which have now displaced the low-priced rack system as the most popular product in this market, says Brema.

The market for compact disc players continues to grow, with deliveries to the trade in the first half reaching 39,000 units compared with 33,000 for all of 1984.

Sales of video recorders are still flat. Deliveries to the trade in the second quarter were about the same as last year, but Brema says that trade stocks are very low and that there is some indication that demand will pick up in the second half of the year.

NatWest to install U.S. corporate cash system

BY ALAN CANE

NATIONAL WESTMINSTER has become the first bank in Europe to adopt a new generation electronic cash management system which promises to give its corporate customers access to better information at lower prices.

It is spending more than £1m to buy a U.S.-built Tandem fault-tolerant computer and to license special software from the U.S. computer bureau National Data Corporation (NDC) to run the system.

Electronic cash management systems are designed to make it possible for a corporate treasurer to inspect his bank accounts, make payments and move cash from one account to another from a computer terminal in his office.

The new system, called "Nets," which NatWest will be installing over the next year has the potential to provide, among other services, foreign exchange and money market reports and electronic mail.

Electronic cash management was pioneered in the U.S., where it was taken up readily by companies with bank accounts spread across several states. It has been less enthusiastically received in Europe where banking regulations are different and distances a lesser problem.

The big four UK banks, however, all offer an electronic cash management service through third party vendors of software and network services. NatWest already uses software provided by NDC. Barclays uses a system franchised by Chemical Bank, while Midland and Lloyds both use a system offered by another U.S. bureau, ADP.

The NatWest and Barclays systems both use a computer network provided by another U.S. bureau, Geisec, to distribute and collate information.

What customers have found is that they are tied to the presentation of their information in a form dictated by the bureau. Furthermore, the cost of the service can rise dramatically with use. Bank computers are not designed to accept a large number of queries from customers.

NDC and another U.S. company, Advantage Systems, have built software which extracts data from the bank's own computers, and reformats it according to the customer's wishes and stores it on a separate computer—a Tandem in the case of NDC, a Stratus for Advantage.

This computer provides an "electronic window" into a bank's information which the customer can have access to simply by dialling in. The bank has the freedom to mould the information provided on this computer to its own and its customers' plans.

A number of other systems are being developed but have not yet been announced. NDC's Nets has already been sold to First National Bank of Chicago, Commerce Bank, Northern Trust Company and Security Pacific. The NatWest order is its first sale in Europe. Advantage, marketed exclusively outside the U.S. by the CAP group, has yet to make a European sale, although it has been bought by the Bank of America, Bank of Boston and the NorWest Bank of Minneapolis.

Mr. Ronald Clark, senior manager of electronic banking and systems at NatWest said yesterday: "We expect cash management to grow. We have taken a view of the future and bought a capability."

Page 21

What customers have found is that they are tied to the presentation of their information in a form dictated by the bureau. Furthermore, the cost of the service can rise dramatically with use. Bank computers are not designed to accept a large number of queries from customers.

NDC and another U.S. company, Advantage Systems, have built software which extracts data from the bank's own computers, and reformats it according to the customer's wishes and stores it on a separate computer—a Tandem in the case of NDC, a Stratus for Advantage.

This computer provides an "electronic window" into a bank's information which the customer can have access to simply by dialling in. The bank has the freedom to mould the information provided on this computer to its own and its customers' plans.

A number of other systems are being developed but have not yet been announced. NDC's Nets has already been sold to First National Bank of Chicago, Commerce Bank, Northern Trust Company and Security Pacific. The NatWest order is its first sale in Europe. Advantage, marketed exclusively outside the U.S. by the CAP group, has yet to make a European sale, although it has been bought by the Bank of America, Bank of Boston and the NorWest Bank of Minneapolis.

Mr. Ronald Clark, senior manager of electronic banking and systems at NatWest said yesterday: "We expect cash management to grow. We have taken a view of the future and bought a capability."

Page 21

Coal Board's job creation arm 'helping to counter losses'

BY MAURICE SAMUELSON

THE NATIONAL Coal Board's job creation subsidiary, formed with strong government encouragement at the height of the miners' strike, says it is helping to create 500 openings a month to counteract the run-down in coalfield jobs.

The figures were given yesterday by Mr. Merrick Spanton chairman of NCB (Enterprise), the coal industry job promotion venture that was recently permitted by the Government to double its capital to £20m.

Mr. Spanton told the Coal Industry Society in London that, since sanctioning its first loan to an ex-miner a year ago the company had contributed £3.5m to help 15 projects, costing £20m, to create 2,878 jobs.

He was confident that with the number and nature of the proposals coming forward over the next five years, the company would nearly match job losses in the industry by creating permanent jobs.

He said, however, that the rate of job creation in a given year would not match the annual rate at which jobs would continue to be shed. He

also gave no forecast of the scale of yearly job losses that the NCB expected over the rest of the decade.

The 2,878 jobs established with NCB (Enterprise) aid over the past year represented barely a 10th of the number of jobs which the industry has shed since the strike, which ended last March, began 18 months ago.

Mr. Spanton, who has kept his job creation post after retiring as the NCB's executive board member of personnel last month, said that if successful, NCB (Enterprise) would ensure "a large regeneration of prosperity" in the UK's coal mining areas.

Echoing miners' claims that their strike was aimed at saving employment prospects for their sons and grandsons, Mr. Spanton added that the jobs created by his company would bridge the gap for future school leavers in job opportunities lost in the industry.

The exhaustion of local coal reserves meant, he said, that "young people may no longer be able to find jobs in their own localities in

the mining industry."

Referring to the jobs created so far with the help of NCB (Enterprise), he said that the company had contributed about £1,400 towards a total cost of less than £10,000 a job and loans were being approved at the rate of £750,000 a month.

The activities had three main thrusts: to retrain industrial and non-industrial employees; to participate in a network of enterprise agencies in mining areas; and to join with other institutions in putting together financial packages to launch large and small enterprises in mining areas.

Mr. Spanton recently signed a contract with the Manpower Services Commission for retraining redundant mineworkers, which is expected to be worth up to £10m over the next three years.

The company has so far helped 40 enterprise agencies to expand or start up, creating a forum where business people can go for advice. It has also given priority to setting up 20 managed workshops.



THE DAY MONEY STOPS... what will you do?

Speak to Atwood Richards.

For over a quarter of a century they have been the oldest and largest barter company in the United States. Atwood Richards has reciprocal barter networks nationally and internationally.

Whether money actually stops or just continues to devalue—BARTER retains its value and is the alternate method for buying and selling.

- Atwood Richards will buy your excess or overstocked inventory positions.
- Atwood Richards will buy your unused manufacturing capability.
- Atwood Richards will buy your corporate jet, boat, real estate, warehouse or office building.
- Atwood Richards will buy complete divisions or subsidiaries that you want to divest.
- Atwood Richards will buy consumer, agricultural or industrial products as well as raw materials and chemicals.

- Atwood Richards is a corporate BARTER firm that trades with American and off-shore corporations—not individuals.
- Atwood Richards will generate incremental sales for your corporation...
 - increase your revenue line;
 - create new areas of distribution;
 - improve on existing client relations;
 - assist in establishing stronger domestic and international markets.
- Atwood Richards gives your corporation the competitive advantage it's looking for!
- Atwood Richards is not a broker or an agent.
- Atwood Richards is a PRINCIPAL that buys and sells for its own account—and can make an immediate commitment to purchase. Atwood Richards takes a risk position.
- Minimum transactions... \$1 million. Information available upon request.

WORLD HEADQUARTERS:
Atwood Richards Inc.
59 Park Avenue
New York, N.Y. 10016
Telephone: (212) 490-1414
TWX 710-261-2636 (2885)
Telex 125224

Morton Blinn
Chairman of the Board
President, Chief Executive Officer
Harry E. Ekblom
Advisory Board Chairman
Elizabeth Jacob
Atwood Richards
International
Arlene Santangelo
VP/Products and Service Acquisitions
Kenneth Feder
VP Media Services/Exec. Management
Committee Chairman
Robert Felt
Sr. Vice President
Judith Tinsman
Vice President
Robert Lewin
VP/Inventory Disposition Mgt.
Sara Gurlo
Secretary/Treasurer
Steven Golden
VP/Controller

CORRESPONDENT OFFICES:
Atwood Richards/Bayer
3150 Shaker Blvd.
Pepper Pike, Ohio 44124
(216) 831-2003
Atwood Richards/Svenson
(Mailing Address) 207 Trailside Drive
Sewickley, Penn. 15143
(412) 867-2184
Atwood Richards/Svenson
600 Grant Street - Suite 409
Pittsburgh, Penn. 15230
(412) 433-2222
Atwood Richards/Multitality
25 W. Prospect Ave. - Room 1101
Cleveland, Ohio 44115
(216) 822-4920
Atwood Richards/Human
1867 West Market Street
Akron, Ohio 44313
(216) 867-2184
Atwood Richards/Canada Ltd.
2300 Yonge St., Toronto
Ontario, Canada M4P 1E4
(416) 466-5744
Atwood Richards/Jacob
11 rue La Boetie
75008 Paris, France
011-331-255-6280
Telex: 849650 AREJ

AR WORLD HEADQUARTERS
I Atwood Richards Inc.

59 Park Avenue • New York, N.Y. 10016 • Telephone: (212) 490-1414

UK NEWS

Tories' doubts begin to surface

Despite the united front which the Conservatives hope to present at this week's conference, some local Tories are privately worried. Kevin Brown reports

THE TORIES gathering in Blackpool, the north-west seaside town, for today's opening of the annual Conservative Party conference have few illusions about its critical importance.

In the wake of the successful Alliance conferences, and Labour's failure to tear itself apart at Bournemouth last week, there are few who would question the need to show television viewers a united front.

In pursuit of this, the party leadership has decided not to debate a motion from the Bristol North West constituency party implying severe criticism of the Government's public relations efforts.

Like dozens of other critical motions, this has been ignored in favour of a debate on an amnesty resolution urging enthusiastic support for the Government to overcome "mid-term doldrums".

If Bristol's Conservatives are dismayed by this manipulation of the agenda, they will not show it - at least in public. In private, however, it is clear that there are the beginnings of doubts about some areas of government policy, and fears about the result of the next general election.

Bristol's Tories are quick to draw attention to their hold on three of the city's four parliamentary seats, which visitors are reminded reflects one of the best Conservative performances in the 1983 general election.

Of the three seats, only Mr William Waldegrave, in Bristol West, is really safe. Mr Jonathan Sayeed, who narrowly won Bristol East from Mr Tony Benn, a leading Labour left-winger, faces a serious

threat from both Labour and the Alliance; and Mr Michael Stern could also be vulnerable in Bristol North West.

In addition, the Conservatives have been frustrated in attempts to re-establish the control they once had over both the city council and Bristol-based Avon county council.

These local reverses, combined with the party's recently poor ratings in national opinion polls, have raised questions about what is going wrong that have unsettled a number of activists.

This sense of unease has not yet turned into open criticism of the thrust of Government policy, let alone of Mrs Margaret Thatcher, the Prime Minister. She is still largely admired and respected, although she perhaps inspires less adulation than previously.

There is a distinct feeling, however, that the leader is being let down by Cabinet colleagues who do not share her visionary convictions, and even betrayed by one-time colleagues such as Mr Francis Pym, the former Foreign Secretary, whose Centre Forward group is viewed as unforgivably disloyal.

Prodded further, local Tories will admit that morale has been damaged by the series of "banana skins" on which the Government

skidded earlier this year.

Most often mentioned in this respect are Sir Keith Joseph's aborted plans to reform student grants, the timing of the announcement of awards by the Top Salaries Review Board, and the teachers' pay negotiations, widely thought to have been mishandled.

There is also some criticism of the review of social services benefits carried out by Mr Norman Fowler, the Social Services Secretary. Mr Fowler is felt by some to have presented the review badly, allowing the party's opponents to picture the Conservatives in an unfavourable light.

The proposed abolition of the state earnings-related pension scheme is also thought to have gone down badly with some supporters.

Unease over these issues is by no means universal, but there is virtual unanimity that something must be done about unemployment. Concern centres not so much on the effects of unemployment on individuals - for instance there is little support for the view that unemployment is linked to inner-city violence - as on the effect of the total on Conservative electoral prospects.

What Bristol's representatives will be seeking from Lord Young, the new Employment Secretary,

will be an expansion of training and schemes designed to reduce the number of registered unemployed, with some cosmetic actions to cut the total by removing some groups altogether, such as those felt not to be willing to work.

Concern over these issues has been compounded by the success of the Alliance in taking the balance of power on both local councils in Bristol. Although there are frequent claims of foul play, there is a growing awareness that an Alliance surge could present a serious electoral threat.

It is said to be too early for serious worries, however, and local constituency officers remain relatively confident of a substantial change in the political climate over the next 12 months. Many will admit that a lot of hopes are resting on the new image promised by Mr Norman Tebbit, the party chairman, and his deputy, the novelist Mr Jeffrey Archer.

In the meantime, a drive for new members is said to be producing good results. A more reliable straw in the wind may be the admission by one senior local Tory that there were serious difficulties in getting some party workers on to the streets during this year's country council elections.

As ever, Bristol's Conservatives will enjoy their conference. When the strains of "Land of Hope and Glory" have died away on Friday, however, they will have a more than usually demanding 12 months ahead of them.

Editorial comment, Page 18

Sterling's rise eases inflationary pressures

By Max Wilkinson, Economics Correspondent

A RISING pound in the first part of this year led to a sharp easing in inflationary pressure, official figures suggested yesterday. They showed that the prices paid by manufacturers for fuel and raw materials in September were on average 1.5 per cent lower than the level a year earlier.

This fall should help manufacturers to contain price increases in the months ahead, even though average earnings in manufacturing are about 8 per cent higher than a year ago.

Part of this rise in earnings has been absorbed by continued increases in productivity. Yesterday's figures, from the Department of Trade and Industry, showed that manufacturers' selling prices were 5.5 per cent higher in September than a year earlier.

This compared with 5.7 per cent in the year to August, and suggests that the underlying "core" of inflation is running at an annual rate of between 5 and 6 per cent.

The inflation rate measured by the familiar Retail Prices Index rose to 7 per cent in the early summer before falling back to 6.2 per cent in August.

Fly first class on the Eastern shuttle!



The Financial Times has gone a long way toward making those short hops more civilized. Just inside the boarding areas at Eastern's terminals in New York, Boston and Washington you'll see racks that carry the FT. Pick up a free copy. Then settle back for a journey of discovery. To the far corners of the world of business, trade and finance. To markets, board rooms, conferences...and into the "corridors of power." Reading the FT may not make you into a high flyer overnight, but it's a comfort to share the insights that only this newspaper can provide. If that isn't going first class, what is?

For a personal subscription call the Financial Times direct from 9 am to 6 pm New York time: 212-752-4500.

FT Publication in 1985

Perkins plans £100m five-year investment

BY ANDREW FISHER

PERKINS ENGINES plans to spend up to £100m over the next five years in Peterborough, Northamptonshire, to develop new products and equip the UK plant for the increasingly competitive conditions of the world diesel market.

The investment will secure the jobs of about 5,000 people at the factory, the world's largest for diesel engines. The company, part of the Massey Ferguson farm equipment group of Canada, is not planning any major expansion in jobs.

Perkins produced nearly 300,000 engines last year, 131,000 of them at Peterborough, which also sent 90,000 kits for assembly abroad. In 1979, the UK plant produced 245,000

engines, but demand then fell at the workforce was cut from 13,000.

About £40m of the proposed investment sum will go on research and development into new products, about which Perkins declined to be specific. The rest will be spent on advanced machinery and equipment for the plant.

Mr John Towers, general manager at the Peterborough plant, said the total would be between £80m and £100m. The world diesel engine market, he said, was a "hostile environment" with a high degree of over-capacity. Annual world demand was around 6m, while capacity was some 9m.

Then John admitted he hadn't slept with his micro-computer for months.

Poor John. It was incompatibility. A few months ago, we both bought micros for our businesses. I chose the new Triumph Adler Alphatronic. He was seduced by a rather more obvious name.

Life in pieces

My Alphatronic came complete, a perfect marriage of everything I needed. All the essentials others seem to regard as extras were included as standard, neatly contained in one perfectly designed machine.

Not so John's ill-fated match. His life was, quite literally, in pieces.

He found he needed a separate interface card for every extension he had to make. They were numerous, even including an expansion card for colour and yet another for graphics.

Every time he used an interface card, he used up a precious slot to put it in. Soon, all the slots were used up. So, he couldn't expand anymore.

Endless arguments

Then, things started to go wrong, and because all his extensions came from different places, he had to argue with dealer after dealer to get them put right.

I gently reminded him that life with the Alphatronic presented no such headaches, affording me a single source of support from one, highly-knowledgeable dealer.

What's more, because it's so well-endowed to start with, the Alphatronic has many more



expansion possibilities. I recently added Prestel and a tape-streamer, (which records a whole day's work in twenty minutes), with no trouble at all.

John groaned, defeatedly.

Same old grind, every day

Apart from processing information up to three times faster, thanks to the powerful new Intel 80186 processor (a true 16-bit chip), my Alphatronic also warms up in seconds, rather than the two tedious minutes John's machine takes.

And whereas John says his disc-drives sound like an old washing machine, my Alphatronic is blissfully quiet in comparison.

Irresistibly beautiful

I was always attracted by the Alphatronic's elegant appearance. Ergonomically designed, it's as pleasant to work with as it is to look at. With a keyboard and a screen that are both highly

developed yet simple to use. Just what you'd expect knowing that Triumph Adler is part of the design-conscious Volkswagen Group.

John's choice, on the other hand, left a lot to be desired in this respect.

He's paid the price

On top of everything else, John now has to face the fact that he's paid over the odds for a computer that was always incapable of delivering what he bought it for. Any of the four Alphatronic models, with their different capacities, would have more than satisfied his needs from the start. And any of them would have run all the IBM compatible software he could possibly need.

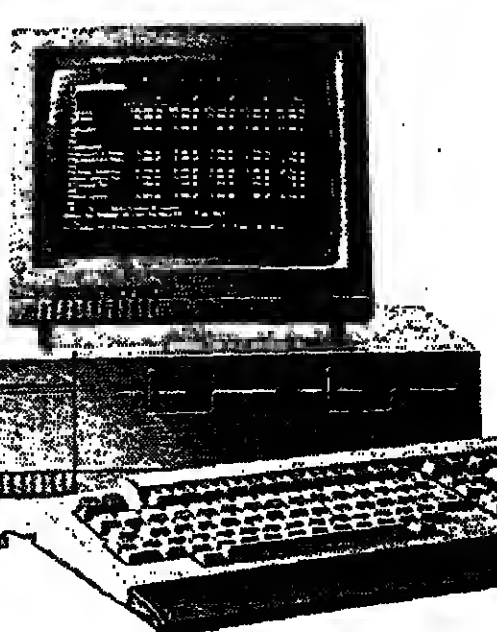
So, John bought his machine to save money, but in the long run, it's really cost him. No wonder he wasn't sleeping. I bought him

another drink and gave him an Alphatronic brochure to read on the train home.

For your, free, full-colour brochure on the new Alphatronics, simply send your business card or letterhead to:

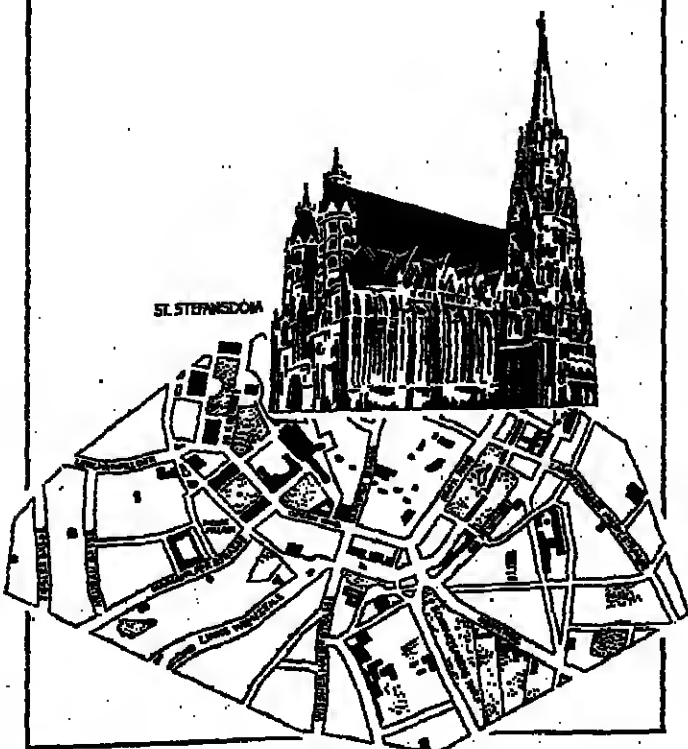
TRIUMPH ADLER (UK) LTD, FREEPOST, LONDON EC1 1AB. Or call 01-250 1717.

TA TRIUMPH ADLER
You won't lose any sleep over us.



Vienna

Special morning-of-publication delivery service of the FINANCIAL TIMES available here.



For further information please contact
Bernd Wokurka
Tel. Frankfurt 75980

WEST GERMAN CHEMICALS INDUSTRY

Henkel lets the public take a share

BY JONATHAN CARR IN FRANKFURT

OCTOBER is a historic month for Henkel, West Germany's fourth biggest chemicals concern. For one thing the family-owned business is in the middle of a public share issue for the first time since it was founded 100 years ago. For another, Dr Konrad Henkel, father figure of the company, will shortly celebrate his 70th birthday.

The two events deserve to be seen together. For had it not been for Dr Henkel's quiet persuasiveness and his evident desire to see the company on a new course while he still had active influence, then accord on the public issue—which was heavily oversubscribed when it closed last week—might not have been reached.

After all, Henkel is a proud company with no fewer than 66 family owners. All are members of three "clans" descended from Fritz Henkel who founded the business (with three workers) in Aachen in 1878. Henkel executives tend to bristle to hear their company called simply "a detergent maker" or even just as the inventor (in 1907) of Persil washing powder. They prefer to describe Henkel as an "international specialist in applied chemistry"—with 163 consolidated group firms in 45 countries and 1984 turnover of DM 9.3bn (\$3.5bn). Of that total turnover "only" 29 per cent came from detergents, 30 per cent from chemicals, 19 per cent from adhesives, 15 per cent from hygiene and technical cleansers and 7 per cent from cosmetics. Last year group net profit rose by 26 per cent to DM 130m, while capital and reserves made up a comfortable 40.4 per cent of the balance sheet total.

Small wonder if some of the family owners feel inclined to the view that "we have achieved success for generations without having, or needing, outside shareholders. Why should we

change?" It is certainly true that a lot of Henkel's success can be put down to observance of the motto "Firm before family," with the Henkel owners contenting themselves with modest dividend payouts. "You have one fur coat," a senior family member is alleged to have said to a young lady shareholder who dared to ask about a bigger payout. "What do you want with two?"

That said, it is also clear that with 66 owners involved, some are bound more than others to want the chance of realising funds locked up in Henkel shares. That problem was likely to grow more difficult as time passed and yet another generation came to the fore.

That is where Konrad Henkel, a grandson of the founder, has proved to be the right man at the right time, with great strength of will partly hidden behind a relaxed, unassuming manner. Married to a glittering socialite and supporter of the arts, Gabriele Henkel, he nonetheless tends to keep out of the limelight and is disinclined to talk about himself. But as chief executive through the 1960s and 1970s, he was the key architect of Henkel's expansion into new products and markets—especially abroad. Nowadays just one third of group turnover comes from domestic sales and the rest abroad (10 per cent of that is exported from Germany).

Konrad Henkel is now head of the supervisory board and, more important, he chairs the Gesellschafterausschuss or board of partners which holds the real power at Henkel. At present the latter has nine members (it has to have a minimum of five) made up of five people from the three family clans and four outsiders (among them Dr Wilfried Guth, supervisory board chairman of Deutsche Bank). Key decisions, for example on major invest-

ment or personnel matters, are taken by the Gesellschafterausschuss in conjunction with the executive board (headed by Dr Helmut Söhler, a long-time company man but not a family member).

With that rank, background, and good relations to all three clans, Dr Henkel has been able

members receive DM 100m in non-voting preference stock (one half of a capital increase from DM 300m to DM 500m through a transfer from reserves) thus pleasing those who want a chance to turn shares into cash sooner rather than later. Finally, Henkel's capital is being raised to

Henkel executives that there is no urgent need of these extra funds at present. Profits, which surged last year, are likely to show another big boost this year. This will be thanks partly to Henkel's recent disposal of some less profitable, fringe activities, and to an internal restructuring which should make for less centralisation and quicker decision-making. The company expects that profits per share this year will be about DM 28 compared with DM 26.50 in 1984.

That said, Henkel is up against some very big challenges in the 1980s and 1990s which seem bound to make the ability to tap outside funds not just desirable but necessary. Its highly diversified product structure puts Henkel into direct competition with much larger companies, from Unilever and Procter and Gamble to BASF.

Henkel has already established itself quite firmly on the U.S. market (about 10 per cent of group sales). But it is known to be looking for a still stronger base, not least through further acquisitions in addition to its minority stakes in the American Clorox and Locite concerns. The Far East is another area where Henkel is looking for growth, and while co-operation accords without a financial stake can be helpful (for example, Henkel's recent agreement on research, development and marketing with Lion Corp of Japan), a growing input of funds seems bound to be needed.

Konrad Henkel's formula for a public share issue should help these future needs to be met without cutting those family links which have served Henkel well so far. For that reason Dr Henkel can well afford to emerge into the limelight for a glass of champagne on his 70th birthday.



Konrad Henkel, shown by a bust of the founder of his firm, his grandfather.

to win approval for a plan which kills three birds with one stone.

First, it is agreed that all ordinary shares will stay in family hands at any rate to the year 2000, thus going very far to satisfy those clan members with doubts about giving outsiders influence. Second, family

DM 575m through the public issue of 1.5m non-voting preference shares at a price of DM 285 apiece. That will bring Henkel an injection of well over DM 400m in outside funds, and help to arm it better for another phase of expansion. The evidence in the balance sheet supports the claims of

For worldwide financial service, you should look for a bank that offers you a bit more than just services worldwide.

You need a bank whose interest doesn't stop short at your balance sheet. A bank that takes the trouble to understand your business, in order to provide you with sound advice; and not just in financial matters. A bank that is large enough to offer you a complete range of financial services, yet flexible enough to produce tailor-made solutions to your international problems.

We are Germany's second largest bank, with 1,000 domestic branches, and over eighty offices worldwide. After being in international business for more than a century we work for more than 100,000 companies. They know what they can expect from us. A full range of international financial services – and a bit more.

Dresdner Bank
Bank with imagination

One of the leading banks in the world.
Dresdner Bank AG
Head Office: Frankfurt/Main, Fed. Rep. of Germany
London Branch: 8 Finsbury Square, London EC2A 3AT

FT
FINANCIAL TIMES
CONFERENCES

Fourth Retail Banking Conference

The Economics of Financial Services
16 & 17 October 1985

This conference is to be chaired by Mr James Larkin of American Express and Mr Anthony Grayson of HSBC, who will also be giving papers. Other speakers will include:

Mr M J Regan
Domestic Banking
The Royal Bank of Canada

Mr T A Green
Business Development Division
National Westminster Bank PLC

Dr Wolf von Schimmelmann
DG Bank

Mr John C Elliott
MasterCard International Inc

Mr Peter Birch
Abbey National Building Society

Mr Charles M Winter
The Royal Bank of Scotland Group plc

Dr Hans Voegeli
Bank J Vontobel & Co Ltd

Mr Christopher D Bait
Boor, Allen & Hamilton Inc

Mr Michael Biles
Wellbeck Financial Services Ltd

Sir John Read
TSB Group

Fourth Retail Banking Conference

The Financial Times
Conference Organisations
Minister House, Arthur Street,
London EC2A 3AX
Tel: 01-421 1355
Telex: London 27347 FTCONF G
□ Please send me full details

Name _____
Title _____
Company/Organisation _____
Address _____
Country _____
Telephone _____
Telex _____
Type of Business _____

Conference: CORPORATE FINANCING ALTERNATIVES IN INTERNATIONAL MARKETS

- Topics:
- Commercial Paper issues in the U.S. market.
 - Exports Financing in international markets.
 - Syndicated Loans in the Euromarket.
 - Bond Issues in the Euromarket.
 - Euronotes issues.
 - Euronotes rating.
 - Medium and long term financing alternatives in international markets.
 - Concepts, importance and role of ratings.
 - Criteria to rate sovereign government and sovereign supported entities.
 - Criteria to rate financial institutions issues.
 - Criteria to rate industrial companies issues.
 - Financing through stock issues in the London Stock Exchange and other European stock exchange markets.

Dates: 30 October (from 16.00 to 20.45) and 31 October 1985 (from 10.00 to 19.30) in Madrid, SPAIN.

Organisers:



INFORMACION:
Instituto de Empresa
Maria de Molina, 13 y 15. 28006 MADRID, SPAIN.
Tels. 262 81 00 - 262 96 00 - 411 65 11 - 411 65 94



FINANCIAL TIMES

is proposing to publish a survey of

Belize

on
**Tuesday
15 October
1985**

For further details
please contact:
Richard Oliver
(extn 4837)

Overseas
Advertisement
Department,
Financial Times,
Bracken House,
10 Cannon Street,
London EC4A 4BY
Tel: 01-248 8000

Company Notices

American Petroleum Production N.V. Annual General Meeting

Notice is hereby given that the Annual General Meeting of American Petroleum Production N.V. will be held at Ploermaal 15, Willemstad, Curacao, Netherlands Antilles on 6th November 1985 at 10.00 am to consider and, if thought fit, to pass resolutions for the following purposes:

1. To approve the balance sheet of the Company and the consolidated balance sheet as of 30th June 1985, the related consolidated statements of income and retained earnings and changes in financial position of the Company and its subsidiaries for the year ended 30th June 1985, together with the respective notes thereto and the Auditors' Report thereon;
2. To ratify the payment on 18th January 1985 of the first interim dividend of \$15 per share;
3. To ratify the payment on 18th January 1985 of a distribution of \$17 per share by way of capital repayment out of additional paid in capital;
4. To ratify the payment on 15th February 1985 of a distribution of \$300 per share by way of capital repayment out of additional paid in capital;
5. To ratify the payment on 19th April 1985 of a distribution of \$17 per share by way of capital repayment out of additional paid in capital;
6. To ratify the payment on 19th April 1985 of the second interim dividend of \$18 per share;
7. To approve the distribution on 27th November 1985 of \$14 per share by way of capital repayment out of additional paid in capital;
8. To approve the payment on 27th November 1985 of the final dividend of \$16 per share; and
9. To re-appoint the Auditors and authorise the Board to determine their remuneration.

**American Petroleum
Production N.V.**
27th September 1985

TRANSALPINE FINANCE HOLDINGS S.A. U.S.\$27,500,000 6 1/2% LOAN 1985 FINAL RESOLUTION

Transalpine Finance Holdings S.A., a company incorporated in Switzerland, has issued a loan of U.S.\$27,500,000 nominal capital and interest thereon to the Trustee. Notice is accordingly hereby given that all the outstanding Bonds of this Loan, amounting to U.S.\$1,488,000 nominal capital, will be redeemed at 110% on 31st October 1985, from which date all interest thereon will cease. These Bonds may be presented at the office of the paying agent set out on the reverse of the coupons in the manner specified in Condition 3 of the Terms and Conditions of the Loan printed on the Bonds, for repayment of the principal and for payment of interest due, on or before 31st October 1985. The Principal Paying Agent is M. ROTHSCHILD & SOHN LTD, New Court, St. Martin's Lane, London EC4A 3DF, 8th October 1985.

**B.A.T. INTERNATIONAL
FINANCE LIMITED**
FINANCE PLC
100,000,000 French Francs
7 1/2% Guaranteed Bonds 1987
At the request of the Trustee, we hereby give notice that the nominal amount of FF 6,000,000 has been purchased on the market for redemption due November 15, 1985. Amount outstanding: FF 48,000,000. Luxembourg, October 8, 1985
THE PRINCIPAL PAYING AGENT
S.A. LUXEMBOURGEOISE

Holidays & Travel

DISCOUNT AIR—Firm & Business Travel, Hotels, Restaurants, Car Hire, 01-530 7551. Telex: 0213271 (G114). ABTA.

AUSTIN REED GROUP PLC

NOTICE IS HEREBY GIVEN that the Register of Members will be CLOSED and the registration of transfers of ALL CLASSES of shares will be suspended from 28 October 1985 to 7 November 1985 both dates inclusive.
By Order of the Board
G. J. TUBBS, Secretary

Legal Notice

**BRENT TRAVEL
T/A IBESCO TRAVEL
LIMITED**
(IN RECEIVERSHIP)
This Notice is not required under the provisions of the Companies Act but we are hereby advising Creditors that we were appointed Joint Receivers and Managers on the 20th September 1985. We have been unable to formally notify Creditors of our appointment in accordance with our usual practice, due to certain of the Company's records being unavailable.
M. J. Spencer, F.C.A.,
J. W. Papp, M.I.P.A.,
Joint Receivers and Managers

Clubs

WE have outlined the others because of a policy of fair play and value for money. Members, please contact us for more details. 199, Regent St. 01-734 0257.



Suddenly, the big investment banks are hearing footsteps.

Make no mistake, it didn't happen overnight. It happened step by step.

From a standing start a few years back, Manufacturers Hanover has moved up to become a recognized presence in investment banking. Our investment banking people—over 1,200 in number—are at work in every major capital market of the world.

Capital Markets Strength

Last year we managed or co-managed \$20 billion in international capital market issues. In fact, we are the market leader in Hong Kong for fixed rate Hong Kong dollar issues. And to date this year, our specialists arranged over \$10 billion in interest rate and currency swaps.

Foreign Exchange Expertise

We have become a preferred foreign exchange source for many major

corporations. Through 24 key locations around the world, we trade virtually every currency and provide our customers with the latest in innovative foreign exchange services such as currency options. Manufacturers Hanover was named one of the three leading banks in foreign exchange forecasting, according to a recent Euromoney Corporate Finance poll.

A Primary Government Securities Dealer

We are a primary U.S. Government Securities dealer and are regarded as a primary money market dealer. Our futures brokerage subsidiary provides the latest in trading and hedging services.

A Leader in Public Finance

Manufacturers Hanover, a leading manager and distributor of tax exempt

securities, stands among the top commercial and investment banks in underwriting short term municipal securities.

Corporate Finance and Investment Management Leadership

We draw on the traditional corporate finance skills of our experienced officer staff, as well as the depth of our customer base, to be a leader in structuring mergers and acquisitions, buyouts, project finance and venture capital.

And through 13 worldwide locations, we manage a total of more than \$20 billion worth of investment portfolios.

*With this kind of momentum,
our footsteps will
soon be heard—side by side.*

Investment Banking Sector



MANUFACTURERS HANOVER

The Financial Source® Worldwide.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

French venture capital

Searching for entrepreneurs

BY PAUL BETTS

THE LAST few months have seen an explosion of interest in venture capital in France. Government incentives to encourage investors and entrepreneurs to set up or finance venture capital operations have led to a flurry of new projects and funds.

The Socialist administration regards venture capital as playing an increasingly significant role in the government's growing reliance on small and medium sized enterprises to create new jobs. Recently, the government pushed a law through Parliament freeing from taxation venture capital funds set up to channel money into small and medium sized companies in promising fields.

But the new activity in venture capital in France has largely been concentrated so far on the nationalised banks, large industrial groups and the big institutions. Up to now, there have been few examples of small start-up ventures formed by entrepreneurs running small or medium sized businesses. "It has been one of the big missing elements in the French venture capital scene," says

Michel Cassa, the head of a small business services company called Acte and one of the founding members of the Groupe 23 venture capital concern launched this year.

Groupe 23, as its name suggests, comprises 23 partners half of whom are small business entrepreneurs and the others consultants, brokers, public relations professionals, and lawyers with experience in the small business sector.

"We felt that the great majority of French venture capital funds was managed by financiers or institutions and not by entrepreneurs," says Christophe Chausson, the managing director of Groupe 23. "We thus sought to set up a fund where the direct entrepreneurial participation was very strong."

Chausson also points out that venture capital in France is called "capital risque" or risk capital. He suggests that this reflects the current prevailing attitude in France to regard venture capital essentially as a high risk financial investment. Moreover, the funds set up by the banks and large institu-

tions are not so much interested in small start-up ventures but on medium sized concerns already in existence for two or three years and ready to be introduced on the Bourse. "The funds are either essentially focused on overseas markets, especially the U.S., or are looking for companies that will be coming into the thriving new Second Marché on the Bourse," explains Cassa.

The Second Marché, or new unlisted securities market, has proved a major success with a substantial number of companies coming to the market for the first time. All the major banks in France have been active in bringing these companies to the Bourse. "But in most cases, the banks have been looking at relatively well established concerns. We are seeking to back real start-ups," adds Cassa.

The Groupe 23 investors also intend to concentrate on services, a niche in the emerging French venture capital market which they claim has so far not attracted much attention. "What we've seen is tremendous interest in

high technology ventures. We feel there is perhaps as much potential if not more in the services and distribution sectors," says Chausson.

Most of the entrepreneurs in Groupe 23 are directly involved in the services or distribution fields. They include the owners of a group of hypermarkets, a photocopying services firm called Copy 2000, and a fashion business. So far the new group has put money in three ventures it feels could be promising. Its members use their various expertise to assist these ventures. In all, it wants to invest a total of FF 8m (£255,000) by the end of this year rising to FF 9m (£269,000) next year.

The first venture involves a 15 per cent stake in a company set up last February called Anaxet which is developing an electronic note-taking machine. It involves an ingenious system whereby one can write notes by hand on a flat board which are automatically processed by a typewriter or printer.

The second venture involves a start-up business in the distribution sector which



Christophe Chausson (left) managing director of Groupe 23, and Michel Cassa (right) a co-chairman, with Gilles Machery, the other co-chairman, whose company Copy 2000 is in photocopying services

offers hand delivery services of groceries and other goods in Paris. The company, called Caditell and set up last May, is proposing to enable Parisian households to order their weekly groceries and household goods using the French post and telecommunications administration's (PTT) mini-electronic terminal. Mini-tels are now coming into wider use in France and Caditell intends to offer the use of a mini-tel to households which do not already have one if they want to use the

personal delivery service.

"We felt this delivery service could be promising, especially in a city like Paris. The company intends to offer household goods and groceries for sale at the same competitive prices as the large supermarkets," explains Chausson. "But we thought it was essential to move quickly to enable Caditell to set up a solid customer base. The risk is that eventually the big supermarket chains copy the idea. They would clearly be able to put pres-

sure on Caditell," he adds.

Groupe 23 has also just put what is known as "seed money" into another venture linked to the distribution sector. The idea is to install television sets above the cash tills at supermarkets. "While people wait in the queue to pay for their goods they will be able to watch the television sets above them. These will show short television spots and advertisements. They could represent an interesting source of revenue," says Chausson.

In brief...

A MONTHLY guide to the changing terms and conditions of the £1m worth of business grants available in the UK has been launched by Vulcan Communications, a newly established publishing venture.

The Grants Newsletter contains articles about the various types of grant aid including the schemes offered by local authorities to new and existing businesses. The subscription is £36 per year. Details from Vulcan Communications, 29c King Edward Road, Barnet, EN5 5AW.

MANAGEMENT buy-outs have been running at more than 150 a year since 1980 and are making a big contribution to the revival of the UK economy, according to chartered accountants Peat Marwick.

Management teams considering whether to buy their way to independence are given a clear explanation of how to obtain financial backing in Peat Marwick's booklet on this increasingly popular phenomenon. Management Buy-Outs covers subjects ranging from tax planning for the company and its management to negotiating the purchase and assessing suitable candidates for buy-outs.

Small business managers wishing to cash in on their efforts by seeking a market for their shares may find a few words of useful advice in another booklet recently published by Peat Marwick, entitled Going Public. It compares the advantages and requirements of raising finance on the full stock market, the Unlisted Securities Market, over-the-counter markets, or through private placements.

Both booklets cost £3 and can be obtained by contacting Peat Marwick at 1 Fuggle Dock, Blackfriars, London EC4V 3PD. Tel: 01-236 8800.

THE Local Enterprise Development Unit (LEDU), the Northern Irish small business agency, has unveiled two new financial assistance schemes.

The new interest relief grant is designed to subsidise interest charges paid by small companies on invoice prepayments collected through factoring. The unit has also introduced a marketing grant available in three tiers, depending on the applicant's state of development.

Existing LEDU clients should ring Belfast 691031, and non-LEDU companies should telephone Belfast 242582.



Hervé Hamon, time is ripe to attract investors

A boost from the Second Marché

THE current craze for venture capital in France has prompted Sofinnova, the country's largest and longest established venture capital group, to become the first concern of its kind to seek a listing on the huyotant new French unlisted securities market, or "Second Marché" as it is known in France.

Hervé Hamon, managing director of Sofinnova for the past six years, says the group set up 13 years ago will be seeking a listing on the "Second Marché" in the next few months in order to open up its capital to private individuals. "At present our capital is entirely made up of large institutions, banks and industrial groups. But we now feel there is strong demand from individuals to invest in venture capital in France," he explains.

Sofinnova manages funds totalling about FF 300m (£26.5m) in France and its U.S. subsidiary, Sofinnova Incor-

porated, formed in 1976, handles a further \$80m (£42.8m). In France the capital comes from big institutions like the Credit National with 20 per cent, the Caisse des Dépôts, the Credit Agricole, insurance companies and large industrial groups like Renault, Peugeot, Saint Gobain, among others.

About 20 per cent of the capital also comes from foreign institutions including Kuwait, the Wells Fargo Bank, and Dutch and Spanish interests. In the U.S., on the other hand, about a third of the capital of the group's American subsidiary comes from individual investors.

Although Sofinnova's domestic operations have so far failed to match the success of the American business (the return has only been 7 per cent over five years in France compared with 46 per cent over nine years for one of Sofinnova's U.S. funds and 39 per cent over five

years for another), Hamon believes the time is now ripe to attract French small investors. "There is a huge pool of available capital for venture projects at present involving between FF 30m-FF 50m (£2.65m-£4.28m)," he says, adding that the available capital on offer far exceeds demand from project start-ups or emerging new businesses. Returns are also expected to rise as the movement gathers momentum and new businesses become firmly established.

There are a number of factors behind the current venture capital boom in France. Apart from government incentives to encourage new start-ups and the surge of the unlisted securities market, both the economic crisis of the last few years and a dramatic impact on management attitudes towards venture capital.

The economic crisis has shut-

tered the idea of job and career security for French cadres or managers in large industrial groups. Nationalisation and the large scale swaps in the electronics and telecommunications sectors that have occurred between large nationalised or state owned groups like CCE, Thomson, Alcatel and Saint Gobain in the last three years have exacerbated the problem.

"We have seen a large number of cadres or small management teams from big industrial groups come to us to see if they could start up a business in the electronics or telecommunications field," remarks Hamon. "This is a classic way in which new high-tech ventures are formed. After all, 90 per cent of high technology start-ups in the U.S. come from management teams who have spun off from groups like IBM or Hewlett Packard, to mention just two," he adds.

The economic crisis has also

brought with it a complete change in the attitude of family businesses and medium sized concerns towards their debt and borrowing policies. "The cost of borrowing was extremely low in the past in France. But real interest rates in the last few years have shot up," explains Hamon. In turn, this has prompted companies to look for other sources of capital. This partially explains the tremendous success of the new unlisted securities market. More than 100 companies are now listed on the "Second Marché" and 30 more are queuing up for a listing.

About half of the funds managed by Sofinnova in France, involve what Hamon calls a "development capital." This consists of funding businesses that in two or three years' time hope to go on the Bourse and want to do some window dressing to help boost their stock price at the time of

introduction to the market. About 35 per cent of Sofinnova's funds are invested in companies which are a longer way from Bourse introduction. These are companies with interesting prospects which hope to go to the market in four or five years' time," explains Hamon, who is also president of the French venture capital association. The remaining 15 per cent of Sofinnova's funds are directed towards high tech start-up ventures.

Hamon claims it is unrealistic to try to compare venture capital in a country like France with the U.S. The sheer size of the American market offers opportunities that can hardly be matched by the French market. But he believes the venture capital phenomenon is now firmly rooted in France. "It's part of the general return in France of a capitalist mentality in the best sense of the word," he remarks.

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

ALL ABOUT PANAMA CORPORATIONS THROUGH PANAMANIAN EXPERTS

WITH OFFICES IN

PANAMA + ZURICH

ASK FOR OUR GRATIS BROCHURE

PANAZUR-ZURICH
Löwenstrasse 19
CH-8023 Zurich

Tel. 01/221 39 90
Tlx. 813090 paco ch
Fax 221 39 87

Managing Directors/Chief Executives

The services are available of a successful international businessman/consultant with over 20 years' experience at executive level. Expertise in the following areas:

- (1) Business expansion
- (2) Investment
- (3) International distribution
- (4) Capital re-structuring

Extensive connections UK/N. America/Europe. Non-executive directorship or specific project considered. Established companies only as fees required.

For an initial confidential discussion telephone or write to:

I. D. Huxley P.C.S., Finest Dr.
BRY-GROVE LIMITED
Gordon House, Station Road, London NW7 2JU
Tel: 01-706 0916 Telex: 248908 G

Our business is selling yours



The best known name in merger broking

FINANCE FOR GROWTH

Cranfield Industries Limited is a private organisation with access to substantial funds to finance expansion, through a capital issue or leasing. We have a close working relationship with Government and private sources of funds. If you are profitable and growing fast, we can help you to present your case and raise the necessary funds.

Please contact: John R. C. Wren, Chairman
CRANFIELD INDUSTRIES LIMITED
Ely House, 37 Dover Street
London W1X 3RB
Tel: 01-409 1343

£1m-£5m SIZE INVESTMENT TRUST OFFSHORE FUND

CASH RICH NON-TRADING COMPANIES

If you are one of the above, we are a fast-expanding public company in the leisure sector. We are prepared to bid in shares with a cash alternative. Our shares represent excellent growth.

Principals only should write in confidence to the Chairman, c/o the company's agents:

REF LEE, BJO ADVERTISING SERVICES
87 Jermyn Street, London SW1Y 6JD

LOWEST PRICE IBM COMPATIBLE PC SPECIAL PURCHASE 700 PCS ONLY

Farrell Advances 8088 Computer, with 256K ram and twin 300K drives, keyboard, mouse, software worth £450 which includes word processing, spreadsheet and filing. 12-month guarantee in U.K. Trade only (minimum order 20 units). Unbeatable between-cost price of plus VAT. Please note we wish to purchase (similar to above), particularly interested in photograph/electronic products. (No electronic manufacturing companies' goods (not portable or foodstuffs)).

Goods will be offered to our worldwide network in agreed defined market areas. Absolute discretion and proof of export guaranteed. Substantial funds available for immediate payment (by bank draft or telegraphic transfer).

Howard Strowman, FST LIMITED.

Parkway, Globe Park, Marlow, Bucks. SL7 1YA.
Tel: (06284) 6911 (20 lines). Fax: (06284) 76163
Telex: 847898 PST-G

EQUITY FINANCE REQUIRED

In UK house owners are the potential market in the next 10 years for the Home Control (microprocessor) system

Small manufacturer is commencing long-term development—ready to launch in early 1986, aiming for 10% market share. We are not capitalised to exploit this opportunity, though we have the know-how to complete development and manufacture new product. New capital sought for this venture which might require up to £1m in next 4 years but has a minimum requirement of £250,000. (No electronic manufacturing companies' operation in the High Street might dovetail.)

Write Box H0285, Financial Times, 10 Cannon Street, London EC4P 4BY

UK subsidiary

of North American public company, involved in sale and support of defence electronics products in UK and Europe, seeks UK partner to develop business potential. Candidate partner should preferably have defence and/or aerospace products for reciprocal sales arrangement in North America.

Principals only please write: Managing Director
Box F0628, Financial Times
10 Cannon Street, London EC4P 4BY

PLAN YOUR TRADING OFFICE

EXPLORERS Trading, talk to us. We are a small, specialist office, offering a comprehensive range of services from conception through start-up. We cover, as required, legal formalities, budgeting, office space and staffing, bank/broker relationships, market data, advertising and control systems, and training.

Contracts are generally undertaken on a 3-6 month basis. Fees are negotiated in the light of the workload and degree of responsibility involved.

TABL LTD.
C.P. 215, 1211 Geneva 12, Switzerland
Tel: (41-22) 291708
Telex: 269294 TABL CH

CHIEF EXECUTIVE WANTED

A company with a well-known international brand name is creating a new company as a vehicle to market its brand in the fragrances field and seeks a chief executive with an impeccable marketing record in the toiletries business. The ideal partner might well be someone whose company is already in this field and may also wish to participate in a new venture. This is an excellent opportunity for the right person—with a very good remuneration package including share participation in the new company.

Apply in complete confidence to: Managing Director, Box F0628, Financial Times, 10 Cannon Street, London EC4P 4BY

LEISURE EXECUTIVE

Senior executive with fine-class track record in hotels/catering/leisure now seeking opportunity of involvement with company/individuals where his skills will help in developing activities in leisure/leisure-related businesses. Equity participation available.

Write Box F0628, Financial Times, 10 Cannon Street, London EC4P 4BY

PAPER, FILM, FOIL COATING

A U.S. manufacturer of coated products seeks diversification opportunities. We have plants in the U.S. and Europe. Coating technology includes paper, film, foil, metal, and more. We have established sales/distribution networks in our existing markets. We would be interested in diversifying with an established organisation wishing to increase output of an existing product or expand into new markets under joint venture, licensing or subcontract options.

Write Box F0628, Financial Times, 10 Cannon Street, London EC4P 4BY

MAJORITY EQUITY HOLDING REQUIRED

In small P.L.C. company, by property investment group with net assets of £4m. Write Box F0650, Financial Times, 10 Cannon Street, London EC4P 4BY

PROPERTY FINANCE

Long Term Interest-only Institutional 12% p.a. (FIXED) Secured on good-quality commercial and industrial properties for investment or owner occupation. Minimum loan £200,000. No endowment or pension policies required. Seymour Adelaide & Co. Ltd. 88 Baker Street, London, W1 Tel: 01-935 2342

AN EXCEPTIONAL OPPORTUNITY TO PROFIT FROM THE

GROWTH IN OFFICE AUTOMATION

International Telecomputing plc has developed the UK's first low-cost, easy-to-use electronic mail terminal for the office or home.

The terminal, which has full BABS approval and plugs into a standard BT telephone socket, can be used by anyone to send and receive telexes from their desk. It offers small businesses, professionals and executives access at a fraction of the normal cost to 100,000 telex users in the UK and nearly 2,000,000 users in over 200 countries around the world. It also allows simple connection to the rapidly-expanding networks for electronic messaging (E-mail).

International Telecomputing plc, part of the entrepreneurial AVM Group, is considering the possibility of a UK joint venture with a substantial trading partner who could offer an established national distribution/service network. Interested parties are invited to contact AVM Group Chairman, William Wilson.

E-MAIL EASYLINK

Telex: 946240 CWEASY G Tel: 021-705 7550

Ref 19003635

Buyers interested to place order for ready-made garments like shirts, shorts, blouses, etc., from Bangladesh. Wholesalers and importers may contact:

M/X STYLE APPARELS LTD

184, SATMASJID ROAD, JAFFRABAD, DHAKA, BANGLADESH

Telex: 642778 KDH BJ

INVESTORS TO INVESTORS

HODSON & ASSOCIATES

Business Expansion Specialists

How do you spot the next Henry Ford before he makes his car?

As business expansion specialists our network of commercial and industrial accountants

patent experts and marketing organisations advise over 600 individuals every year on how to commercialise their sometimes brilliant business concepts. We maintain a register to introduce investors and

investors. If you wish to join the register or receive case summaries which may enable you to catch a rising star whilst it is still below most investors' horizons.

Reply to Noel Hodson

HODSON & ASSOCIATES

14 Brooklands, Oxford OX2 7P

Tel: 0845 69384

B.E.S.

HOTEL - LEISURE

INVESTMENT OPPORTUNITY

A unique opportunity to invest in a fast-expanding hotel/leisure company. Asset-backed project. Excellent return with high capital gain. Revenue approval obtained. State private investment with minimum £250,000. Usual commission will be paid to professional advisers on successful application.

Write Box F5945, Financial Times, 10 Cannon Street, London EC4P 4BY

BOSTON, MASSACHUSETTS, U.S.A.

HI-TECH, HIGH-QUALITY OFFICE/INDUSTRIAL SPACE TO LET

Prime location on Route 128. Fully serviced. If required, small units and short lets available. Ideal for start-up.

For details telephone

Mr Gleaves (0243) 625811

Write Box F0628, Financial Times, 10 Cannon Street, London EC4P 4BY

Company specialising in FINANCIAL SERVICES TO INDUSTRY

Require Director with Capital and credit to return for a substantial shareholding. Sound company. New and rapidly developing market.

Write Box F0628, Financial Times, 10 Cannon Street, London EC4P 4BY

LARGE C.M.T. ORGANISATION

based in North-East England able to accept large contracts for making up fashion and sports garments at competitive prices. Strict quality control and top quality guaranteed. Large regular and continuous work. Very reliable, permanent and efficient service. Box F0628, Financial Times, 10 Cannon Street, London EC4P 4BY

MORTGAGES

on Commercial, Industrial Residential Properties

At competitive rates

Write or telephone:

HRSCHE MORTGAGE (WTL) LTD

Europe's leading Mortgage Brokers

13 Ovington Road, London E11 1JL

Tel: 01-629 5051 - Telex: 28374

THE ARTS

Galleries/William Packer

Hungarian arts in Glasgow

The Festival of Hungarian Arts in Glasgow, which the Hungarian ambassador declared open last weekend, had modest beginnings. Chris Carrell, director of Glasgow's Third Eye Centre, had noticed the work of two young Hungarian artists, Imre Bukta and Géza Samu, at the Biennale des Jeunes in Paris in 1980, and he thought of bringing a small show to Scotland. But the more he looked, the more he found of worth and interest. Later, he enlisted the help of Paul Overy, a critic with wide knowledge of contemporary visual art in Eastern Europe, and by degrees the whole machinery of cultural diplomacy was coaxed into action in support.

That first modest plan has become a celebration of contemporary visual art in Hungary, with the work of 18 artists shared between seven galleries. Elsewhere there are exhibitions of contemporary prints, medals and ceramics, and work of the earlier 20th century, and the period at its very beginning when the Glasgow Style of Mackintosh and his peers was so seminal an influence upon the applied art and design of central Europe. In addition there is to be throughout the month a programme of music, theatre, dance, literature and film, and the arts and pleasures of Hungarian foods besides, to sustain the spirits.

Already further culture exchange is planned to build upon this initiative, in particular an exhibition of similar scope and ambition, of Scottish art in Hungary in some two years' time. The value of such intercourse is undeniable and if credit is due to Mr Carrell as prime mover, he acknowledges how much he owes for its realisation to the local authority and institutions, and to the Hungarian Government. Without our own Visiting Arts Unit too, which works its wonders of support upon a paltry budget, nothing would have been possible.

The principal exhibition site, and clearing house for information, is the Third Eye Centre in Sauchiehall Street, which is where those first two of the 18 artists, Bukta and Samu, are showing side by side. Both are sculptors whose work sits well with current orthodoxies of a certain kind—conceptual, discrete, ecological and organic, shot through with metaphor and symbol. Bukta's is the more direct, even literal in its references and social in its concerns, his mixed-media reliefs and tableaux full of ideas, images and indeed actual material some remarkably unpungent manner for example—taken from the natural round of working the loam: enriching the soil, sowing and reaping. But the machines have come, and the hard yet delicate relation of the peasant to the land has been broken. Samu is more oblique in his



Ganz Factory, Budapest (1946) by Ilka Gedó

approach, and yet more obviously craftsmanlike in his practice and accessible in his imagery. His sculptures are totems, trophies or fetishes of sorts, objects which, taken singly or together, are loaded with an ambiguous, atavistic, or ancient ritual suggestion. Yet his formalised birds on long thin poles or his antler or horn-like wooden totems that might stand alone at the heart of the sacred grove are charming and engaging things.

Bukta and Samu are two of four artists who have collaborated in a proposal for a sculpture park at Nagyatád in south-west Hungary. It has yet to be realised, but the large and detailed maquette is now installed in the People's Palace Glasgow Green (an extraordinary museum of everyday life by the way), along with a small display of political posters from the period of Hungary's post-war reconstruction.

Also in the Third Eye is the work of Erzsébet Schabó, a figurative sculptor who died in 1975 at the age of 68. Most of her work here is from the last 10 years of her life: small and fairly freely modelled arched and vaulted spaces that might be models for stage sets, and larger standing figures with heads and hands cast from life but bodies reduced to simple blocks. These are possessed of a haunting, enigmatic and most theatrical presence, the more so when shown ensemble as it were on stage, separated by screen or window, images of loneliness. Doors and windows evidently fascinated her with their implications of shutting in or letting out, and some of the earliest and most beautiful pieces—small wooden plaques of the late 1940s carved in shallow relief—take them as their subject.

Ilka Gedó, whose work fills the Compass Gallery in West Regent Street, died recently,

aged 64, as the final selection was being made, and her exhibition is thus retrospective and memorial. An interval of 18 years devoted to bringing up a family, the work of the later paintings light and decorative, the imagery abstracted and symbolic; the earlier work a mass of drawings made as a young woman in the wartime ghetto or just after the war in old people's home, and factory and workshop. Here is a most delicate and exquisite expressionism, as of Munch at his most intimate, especially so in a set of tiny, lovely portrait studies.

Other sites showing the work of the 18 artists are the Glasgow Arts Centre, the Glasgow Print Studio, and the two galleries of the Glasgow School of Art where, in the Newbery Annex, 1 was particularly taken with the work of El Kazovskij—trussed, chained, brace-braced, bizarre cut-outs that might all be props for surreal performance—and the simple refinement of the cast plaster reliefs of György Jovánovics, with their ceased and air of romantic constructionism.

The entire show remains on view until November 9. The Collins Gallery of Strathclyde University is showing recent prints and graphic work by Janos Kádár, Adam Wurtz and Károly Reich (until October 30). And Main Fine Art in Gibson Street, showing the paintings that a young artist, Andrew Ujvári, made while in Budapest on a British Council scholarship between 1979 and 1980, makes the only directly Scottish and reciprocal contribution to the festival (until November 2).

The City Art Gallery at Kelvingrove has also extended its hospitality to four small shows (until November 10) which include a display of

recent work by the medallist, András Kiss Nagy, and a selection of contemporary ceramics and ceramic sculpture, notably the life-cast heads and torsos in porcelain of György Fusz. But the most extraordinary show comes not from Hungary at all but from the National Galleries in Edinburgh, where a cache of prints by Béla Uitz, a Hungarian artist who lived in Scotland between 1920 and 1923, came to light only as this festival was being prepared and researched. The earliest things are supremely innocent: then follow a set of symbolic, heroic images of General Ludd, worked up from severe constructivist composition; and then a rich and powerful group of land and city scenes. Last comes the most powerful work of all, a group of figure and portrait studies of women of a monumental simplicity and power, and all dedicated to a Miss Mary Korka, from whose family they were lately acquired.

Finally, a small didactic display, drawing upon the gallery's own collections, closes the link between Glasgow and Budapest by taking us back to 1902 and an exhibition that had been arranged by Eva Newbery of the Glasgow School of Art, and Jeno Radisics, of the National Museum of Applied Arts in Budapest, where it was shown. Mackintosh, of course, and all his colleagues in the Glasgow Style were represented, and of their work the critic of the Magyar Imparivizet had this to say: "... one is struck at first sight by the generally high standard of British design. One can but wonder at the degree of educated artistic taste among those with money to spend. They live in a country where even firms aimed at mass production are capable of creating the type of superb, stylistically unified furnishings that we see here..." Ob dear.

Spanisches Liederbuch/Wigmore Hall

Richard Fairman

A masterpiece by common agreement, Wolf's *Spanisches Liederbuch* has found it difficult to curry favour with performers and audiences alike. Unlike the Märke settings, this collection of songs has little in it of the artist or dramatist, few occasions to set scenes, paint pictures or tell stories. Each brief item, lasting barely a minute or two, is the expression of some abstract emotion, an elusive butterfly to be pinned down by the singer with absolute precision.

For Ely Ameling, who had given some of the Märke songs earlier in the week, and her

fellow Dutchman Ruud van der Meer in their Wigmore Hall recital on Saturday evening, a selection of the songs provided a rewarding, if difficult programme. Both are experienced recitalists, fully equipped with the necessary technical mastery over vocal line and language, but even so some of the songs

it was perhaps inevitable that Ruud van der Meer's singing of the man's songs. This is a sizeable baritone voice, capable of drawing back into the most sensitive and mellow of pianissimos for "Dereinst, dereinst, Gedanke mein," a tribute to love lost in death.

But in the more outgoing songs precision was lost, the voice spreading in size, the manner riding roughly over rhythms and verbal accents that need pinpoint accuracy.

A mixed but valuable evening then, as the *Spanisches Liederbuch* rarely gets a recital to itself. For an encore the two singers joined together in "Wer tat deinem Fusse weh?", a good choice as it gave Ruud Jansen the chance for a sparkling and witty accompaniment. His perceptive contributions were a major plus throughout.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Opera and Ballet

PARIS

La Belle Héloïse conducted by Van Poppel. Torsellier/John Burdakin in Jerome Savary's production with Sandra Brown/Madeleine Renaud in the title role. Jerome Proust, Georges Gauthier as Paris and Marie-Christine Forta/Veronique Dietrich as Oreste inaugurates the new season at the Opéra Comique. (298 0811).

LONDON

Royal Opera, Covent Garden: L'elisir d'amore. A Donizetti comedy that has become a Royal Opera staple in the last few years, comes back with an attractive cast, partly familiar (Rolando Panerai, Francisco Araiza), partly new (Marie McLaughlin, Gino Quilico). Gabriela Perna conducts. Further performances of the new Zemlinsky Double bill, voluptuous late-Romantic one-acters inspired by Wilde, and last, for the moment, of Respais's Barber with Thomas Allen a brilliant and engaging occupant of the title role.

WEST GERMANY

Berlin, Deutsche Oper: To complete the Ring cycle, Götterdämmerung is having its premiere this week, produced by Günter Friedrich. The cast includes Catarina Ligendza, Cheryl Studer, Brigitte Fassbender and Rene Kollo. Also performances of Der Troubadour and Der Barbier von Sevilla.

Hamburg, Staatsoper: Die Entführung aus dem Serail. Hans Klemm, Lillian Watson and Kurt Moll in the cast, and Herson Kwon as Queen of the Night in The Magic Flute. Jeremy Norman will give a lecture recital.

AMSTERDAM

Amsterdam, Stadschouwburg: The Netherlands Opera houses new season with a double bill. Zemlinsky's Der Zwerg and Dellore's Il Prigioniero directed by David Allen, sets and costumes by Frank Raven. Edo de Waart conducts the Netherlands Philharmonic, the Opera Choir under Johannes Mikkelson. Casts headed by Neil Rosenheim, Thea van der Putten, Elin Bolkestein, Jan Derksen (Tue) (822 111).

ITALY

Bologna, Teatro Sociale: La Traviata conducted by Tiziano Sestini with the young soprano, Flaminia Izzi, in Carlo Cacci's production. Also in the cast: Mario Malagutti and Luigi de Corato. (Fri, Sun, Tue) (2 36 14).

Roma, Teatro Orfeo: Voi! Nuovo nel Mondo - a new young company in Verdi's La Traviata conducted by Tullio Colacicchio (Fri, Wed), Puccini's La Bohème (Sat), Madame Butterfly (Sun), and Rigoletto (Tue) (77 89 00).

South Bank

A small matter of missing millions

Mr Ronald Grierson, chairman of the South Bank Board, yesterday lifted the curtain on what the nation's most important arts complex will be like when the board takes over from the GLC on April 1 next year—to reveal a stage still shrouded in shadows.

At least readers of this page yesterday will have an idea of the possible scenery, following Colin Amery's preview of the vision of architect Terry Farrell, who was asked by the board to provide a blueprint. He wants to demolish the elevated walkways and hide the ugly concrete that remains under a translucent roof covering the Queen Elizabeth Hall, the Purcell Room and the Hayward Gallery.

But, as Mr Grierson stressed, although there is a strong commitment to transform the appearance of the South Bank, the appearance of the South Bank is still a matter of many millions of missing pounds has been resolved.

The South Bank Board and the public remain in the dark over money. Mr Grierson has costed the South Bank in its first year at £1.5m of which £2.5m will be spent on running the place, and £3m on maintenance. Unless the board gets this sum from the Government well, there were many veiled threats but Mr Grierson, shrewd

politician that he is, did not quite commit his 15-strong board to instant resignation. But obviously unless the Government comes up with a figure very close to the £1.5m it will have to look for new guardians for a most politically sensitive spot. At the moment the minister for the arts is still sticking to a totally inadequate sum of £16m to make good all the arts expenditure by the doomed metropolitan counties, including the GLC, with just £5.5m targeted for the South Bank. An urgent re-think is needed here.

It is unlikely that Mr Grierson, who has agreed to see the South Bank Board through its first 18 months as executive chairman, would take on this task unless he was pretty confident of getting sufficient Government aid. He may also know more than he lets on about the money needed to finance the grandiose environmental changes.

He is anxious to get rid of the walkways within a year. Could there be a generous public benefactor in the wings, who has promised the few mil-

lions it needs to rid London of these decaying concrete monstrosities? For the next, it could be built up like a Meccano set, piece by piece, as the money comes in from private sources. Even so it would have to be a carefully worded public appeal which raised money not only to eliminate the ugly and old but also to build up such ventures as restaurants, bars and shops, which will enliven the surroundings of the Elizabeth Hall, Purcell Room and Hayward when they stand as a united counter-balance to the Festival Hall. Perhaps donors could be promised a financial return from the profits of the commercial concerns?

With so much unknown about finances the artistic content of the new South Bank is in danger of being overlooked. Mr Grierson paid a generous tribute to the GLC (even though that body has made his life very difficult by refusing until recently to co-operate on the handover) and will retain its open foyer policy, like the special events, like the

Children's Festival and Thames Day. Indeed it wants to go further and create a continuous festival atmosphere on the South Bank. The National Theatre and the National Film Theatre will be encouraged to co-operate with the concert halls in special seasons during which such themes as British art in the 1940s or The Paris of Napoleon III are given in-depth artistic treatment. A children's museum, along the lines of one in Boston, U.S., is planned in the West End for all South Bank, and the foyer of the Elizabeth Hall, and the South Bank wants to play a more active education role in London.

Advisory boards for music and art; closer links with the broadcasting media; a box office in the West End for all South Bank activities; more coherence in the programmes of the four major orchestras (who will remain the centre of South Bank performance)—the good resolutions are in the wings. Mr Grierson's objective of providing "entertainment of the widest range and quality."

The package is now banded over to a cost-cutting Government and to a group of well-disposed individuals who in recent years have helped London's other arts institutions, including the National Gallery and the Tate. The bottom line is that a successful and popular South Bank would be a good advertisement for private enterprise in the run-up to the general election.

Antony Thorncroft

Nettlefold Festival/West Norwood

Paul Driver

The Nettlefold Festival can now be added to the modest list of British festivals devoted to modern music, the others being the Huddersfield Festival, the Alameda Festival of the Musica Festival of summer concerts, and the various bi- or triennial Musica Nova celebrations in Glasgow. The Nettlefold Festival, of two days, two venues, Simon Desorgher and Lawrence Caserly, began last year, with a flourish, and continues this year, in the attractive and acoustically very acceptable Nettlefold Hall (in the same building as the public library) on Norwood High Street with three consecutive weekends of concerts featuring such subject matter as the tape music of Tristan Cary (who is 60), the live improvisation of Barry Guy (who is 40), and the music of Philip Mead.

Friday's opening concert was given by soloists from Richard Bernas's ensemble Music Projects/London. The programme was a little arid; all the pieces were by a certain abstract quality and relied heavily on various electronic enhancements and/or the use of "extended" techniques of instrumental performance. The power of the performances was unmistakable, however, in such cases as Nancy Ruffert's exposition of Taira's Hierophony, IV (employing four different kinds of flute) or Alan Brett's of James Dillon's solo cello piece, Porjongo-Vata ("the power of wind and rain"), a quite graphic and gripping experience.

The most intriguing item was Kugel's Unguis Incarnatus Est, in which a pianist (Bernas himself) set off by another bassist (instrumental Alan Brett's cello), mused on the opening notes of Liszt's piano piece Nuages Gris and, more particularly, on the piece's pedalling instructions—pure pedal clatter. The concert was over, but began with an improvisational composition by Rolf Gehlhaar, Typ II, which leaves pitch-choice to the several performers, but controls other musical parameters. It ended with John Cage's 4'33", which, in some cases, was played with great restraint. Of those who played the "Das Irdische Leben," sounded like vintage Norman.

Jessye Norman/Barbican Hall

David Murray

Miss Norman's recital on Sunday came under the umbrella of the Barber's 100th birthday celebration, but her audience was more catholic than that—so, at least, their determination to applaud after every single song suggested. Unfortunately the programme with texts could be had, expensively, only as part of the whole festival-book; the result was that Miss Norman found herself singing a moderately recherché programme to an audience many of whom had no idea what she was singing about. That was fair to nobody.

In the circumstances, she needed all her considerable communicative powers (and she has just recovered from a bout of flu). Her opening Handel, only half convinced, she sang with great conviction, as if she were a number rather than arias from Rinaldo and Roderigo. Songs by Mahler and Berg (the latter an enterprising choice, but he puzzled the audience) were treated with great sympathy, as if they were a number rather than arias from Rinaldo and Roderigo. Songs by Mahler and Berg (the latter an enterprising choice, but he puzzled the audience) were treated with great sympathy, as if they were a number rather than arias from Rinaldo and Roderigo.

Where excuses could be found within both Beethoven works for a lack of impact, there is less room for doubt in the first of the two songs, from the BBC Singers and the BBC Chorus sang. There was no creative force prodding it into life and giving it a convincing shape.

Where excuses could be found within both Beethoven works for a lack of impact, there is less room for doubt in the first of the two songs, from the BBC Singers and the BBC Chorus sang. There was no creative force prodding it into life and giving it a convincing shape.

Where excuses could be found within both Beethoven works for a lack of impact, there is less room for doubt in the first of the two songs, from the BBC Singers and the BBC Chorus sang. There was no creative force prodding it into life and giving it a convincing shape.

Where excuses could be found within both Beethoven works for a lack of impact, there is less room for doubt in the first of the two songs, from the BBC Singers and the BBC Chorus sang. There was no creative force prodding it into life and giving it a convincing shape.

Fringe Comedy/King's Head

Martin Hoyle

The Covent Garden area is not alone in celebrating the Edinburgh Festival fringe. The King's Head Theatre Club in Islington is presenting its own pick of the myriad comic shows and late junketings. The current double bill makes for a long and solid evening.

The first half consists of a stand-up turn by Helen Lederer, a flustered blonde with pale blue eyes, much given to nervous giggles, Radio listeners may know her from the robust and often rude One Eye and will welcome that breathy self-deprecation, all unfinished sentences punctuated by the vaguely intoned "lovely" or the hasty "anyway" as she quickly passes on, glazed-eyed, from one ship-wrecked conversational gambit to the next.

With Miss Lederer style is all, when she attempts conventional comic routines the material is unremarkable but her delivery redeems much; notably as the sippingly terrified presenter of Breakfast TV asking a recently released

prisoner of the KGB whether he likes gooseberries as an inane link to the next item. A promised M and S sexual fantasy turns out to be about Marks and Spencer. "Lovely, lovely," she falters in panic, "I'm freezing into resignation. As he puts it, 'everybody went home happy. Well, they went home'."

Only they don't. The second half of the evening comprises The Pretexters, a show from Bad Lib, a likeable trio from the 1983 Cambridge Footlights revue. An early reference to a government paper on the arts entitled "The Treatment of the Garden with Nappin" promises much; but subsequently the story of an Aeneas-type group out to foil the dastardly Aussie Roger Mordick, media manipulator and vulgarizer, in his plan to reduce the British to zombies with TV never rises much above undergraduate humour, the wit spread pretty thin. The show seems to last twice as long as the material warrants. As I said, a long evening.

Special Subscription
HAND DELIVERY SERVICE
of the
FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
in
SWITZERLAND

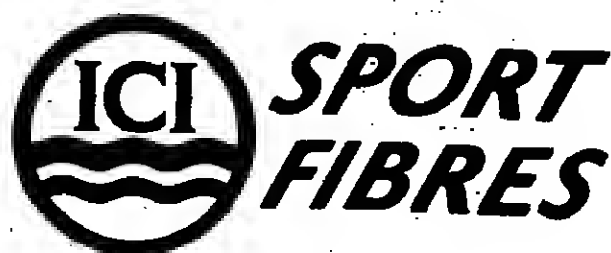
For details of how you can obtain your subscription copy of the Financial Times, personally hand-delivered to your office in the locations indicated, contact—
Peter Lancaster
Financial Times (Switzerland) Ltd
15 Rue du Commerce 1201 Geneva 1
Switzerland Tel: 311603/4 Telex: 22589



The European Grand Prix: another successful research project for ICI Fibres.



The Williams' team came 1st and 3rd in Sunday's European Grand Prix. The winner, Nigel Mansell, was in an ICI sponsored car, and third was Keke Rosberg, one of ICI Fibres' Record team, a group of sportsmen and women who are helping us develop fibres and yarns, like Tactel and Terinda, specifically for sportswear. Our aim is to improve performance, and judging by Sunday's result, we're succeeding.



Letters to the Editor

Profits in sterling terms

From the Group Treasurer, Metal Box

Sir—I felt that I had to respond to the Lex Column (September 23) about Metal Box's policy of hedging its profit translation exposure, as it appeared to me that you have drawn the wrong conclusions from each of the three major points made.

You suggest that it is wrong to use the option market to hedge translation of profits because by paying for the option the treasurer is using a cash resource to hedge a non-cash item. It is wrong to say that a company is making profits at a margin of 10 per cent on option cover can probably be bought for between 3 per cent to 4 per cent of sales revenue, which is surely a small amount of cost compared with the benefit of preserving profits in sterling terms.

Arguably the treasurer should hedge his total dollar cash flow rather than profits but this choice will depend upon the relationship of cash to profit which varies from company to company and other corporate objectives.

If the hedge had been taken out in the traditional forward exchange market there is a risk of significant cash expense because in the event of the currency moving in the opposite direction than that projected then the losses would have to have been met out of hard cash. Most companies set annual budgets that assume rates of exchange prevailing at the start of the budget year. They also frequently set aside contingency funds in the budget to care for unexpected items. What can be more logical than spending some of the contingency in buying option protection for declining exchange rates?

You assume that declining sterling profits caused by unhedged dollar profits need nothing more than an annual note for shareholders. A clear statement in the accounts

showing the difference between translation effects and underlying performance is likely to be helpful but suggests that companies are above themselves from the responsibility of maximising their returns in their domestic currency.

Will the shareholder, in the event of a dollar decline, happily accept his dividends in dollars rather than sterling? or will he be complacent about devaluing his dividend cover? I doubt it. Management is about maximising profits, cash flow and shareholders funds in a volatile and competitive market place. Exchange rate movement is just another economic variable that must be managed with the best tools that are available.

You also suggest that forecasting foreign exchange rate movements is close to a zero sum game, however, quick check through at the 10K returns of any of the major New York banks will reveal the very substantial contributions made to profit by foreign exchange trading and, as they will happily admit, these profits do not come from the difference between bid and offer but from correctly anticipating major rate movements. The dollar has been over valued for some time, a policy of protecting dollar based profits is surely just simple business prudence.

Any company that decides to invest on an unhedged basis in high inflation or weak currency countries is very likely to see its shareholders vote with their feet. The profit translation hedge via options is just one of many techniques that can be used to solve the problem. Naturally the effect of a sustained devaluation over a period of years is almost certain to be reflected by losses on translation but options will delay it and help to iron out short term movements.

David J. Westby,
50 Sutherland Chase,
Ascot, Berks.

Bad news on goodwill

From Mr A. Tolley

Sir—Once again financial shenanigans are touted as likely to impact share valuations. "Lex" "Bad news on goodwill" (October 4). The argument over changes in accounting policies has long been settled with reference to inventories as having no effect, and for the same reasons goodwill account-

ing will also have no impact. Analysts will continue to see through these changes, by adjusting the reported information and using cash flows which are not affected by these policies. This is a non-problem for the professional analyst. Alex Tolley,
Grenfell & Co.,
25, Abchurch Lane, London EC4A 3DF.

It pays to car-tax dodge

From Mr P. Kreamer

Sir—While I was pleased to read the announcement of a crack-down on tax dodging motorists (October 1), I do not believe it will make any difference at all. Quite simply it is more cost effective for the motorist not to pay his annual road fund tax. This was pointed out to me by a local policeman when he drew his attention (more than once) to unlicensed cars parked in our village.

It apparently takes so long for information supplied by the police to be acted upon by the

authorities and the courts that it is on balance cheaper to persistently offend. Your figures seem to bear this out. £18,250m recovered divided by 250,000 offenders equals £73, little more than half the annual licence fee.

Until the fines are greatly increased and the task of catching offenders subcontracted to a commercial organisation on payment by results basis the offence will remain profitable. Peter Kreamer,
39, Bell Lane,
Eton Wick,
Windsor, Berks.

Advertising on the BBC

From Mr B. Marley

Sir—Chris Dunkley raises some very good arguments in his book "The BBC: Today and Tomorrow" (reviewed by Brian Wrenham on September 26) which, while in the main pertains to the coming of satellite and cable, are also of relevance to the question of whether or not the BBC should take advertising. He is particularly scathing about the BBC's hypocritical attitude about the danger of falling standards on the one hand and lowering them on the other. The classic example recently of the BBC's double standards in this matter is, of course, introducing wall to wall Wogan and the Eastenders, all in order to capture larger audiences. This felony has just been compounded, football style, by the "transfer" of Roland Rat from TV-am to the BBC. Bearing in mind what the BBC said about Roland when TV-am used him so successfully to overhaul Breakfast Time in the audience stakes, this is an act of the most cynical hypocrisy.

The basic question is whether or not the BBC needs to sacrifice standards to win audiences, whether that need is based on competing against cable and satellite for viewers revenue. Dunkley gives in his book many examples of how the BBC (and ITV, too!) have won big audiences while still producing award-winning programmes. The examples are too numerous to mention, and not all depend on spending vast fortunes.

I believe the BBC has the integrity to produce programmes aimed at winning both audiences and prizes, given adequate funding. It has already demonstrated this on TV and continually demonstrates this in TV journals, where Radio Times is more cerebral than TV Times and can clearly take more money, if it chose to do so!

So what is the fuss all about? The BBC is already showing that it will not pay for the upgraded cable systems that are developing. It will be a long

time before "new-build" cable reaches us in a big way, if ever. Satellite is a long way away from the field in dish technology research—why, the BBC), so the status quo is fairly safe anyway for at least ten years, unless the BBC is allowed to take advertising soon. If introduced in the way suggested by the Institute of Practitioners in Advertising in its submission to Peacock, i.e., gradually, the BBC will not be entirely dependent on advertising for funds and so need not begin a lemming-like rush towards wall-to-wall Dallas. By increasing its revenue base in this way, it will then be geared up to take on the new technology, whenever it arrives, by maintaining the standards from which it has gained its worldwide reputation.

Of course, all of the arguments against the BBC's perceived need to lower standards in order to survive also apply to ITV, which has shown recently how to have the best of both worlds with quality (of programme) and quantity (of audience).

If, as seems likely, cable and satellite veer towards specialist channels (after all, we in this country have already seen Dallas, Vegas, Fantasy Island et al. so why pay to see repeats?), then there is no reason why either channel should have to lower standards. Each will be able to produce a "mixed" schedule aimed at a general audience. Look at Channel 4—a fine example of something for everyone, with low running costs behind it all.

Perhaps that is what the fuss is all about. The arguments being aired are based on neither logic nor experience. Both ITV and BBC, however, will undoubtedly have to lower costs of the production side to a certain extent in order to compete, particularly with ads on the BBC (which must surely come). We can all readily imagine the Fleet Street style blackboard that might cause. Bob Marley
(Deputy Media Director),
Lonsdale Advertising,
Hesketh House,
Portman Square, W1

Hourly rate for solicitors

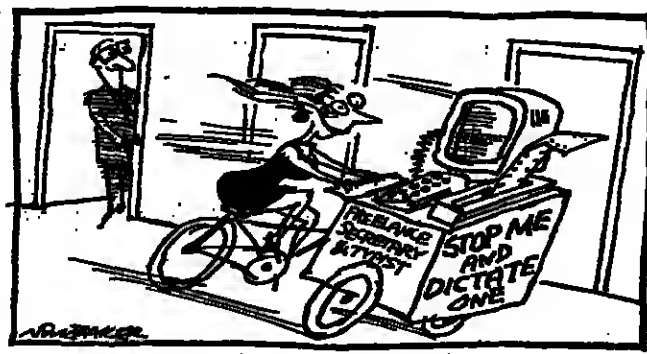
From Mr A. Kaufman

Sir—I would like to add my support to Mr Robson's lucid and generally accurate assessment of what is involved in commercial litigation, (October 2). I particularly endorse his view that clients must continually have in mind what they need to spend on the litigation, both in terms of money and effort.

I am, however, surprised that Mr Robson thinks most solicitors "are not prepared to work on an hourly rate basis." More and more litigation work is being done on a time basis and indeed I think it is the duty of all solicitors when taking on

a case to explain precisely how they would charge for the matter, which lawyers will be dealing with the case and what are their respective hourly rates. Clients should insist on such information being given at the very beginning if not offered voluntarily. Even though it is difficult to give proper estimates of what a case is going to cost because of the uncertainties inherent in all litigation, at least clients will definitely know how much they are paying for every hour of work done by the solicitor.

A. Kaufman,
Forayte Kerman,
79, New Cavendish Street, W1.



Take this down, Mr Smith

From Hilary Whates

Sir—I was particularly interested in the figures uncovered by Dictaphone reported as "The cost of sending a letter" in your office equipment supplement (September 30). Aforementioned illustrated the relative cheapness of machine dictation. Equally striking to my eye they showed the crippling costs of office overheads in the secretarial environment. Even on the optimistic assumption that the hardware is in "reasonable" constant use throughout all working days, overheads still account for between 46.4 per cent and 51.7 per cent of total cost. For a business of any size this must be a significant competitive handicap. To the legions of small and one

person enterprises, whose secretarial and administrative needs are of necessity likely to fluctuate widely, it could prove fatal.

The future of work is likely to see an increasing trend towards the break-up of central services and their devolution to contract concerns but there has been some reluctance to date to embrace the concept in respect of secretarial support. The quoted figures show that even on equal terms the financial case is strong. Add in the flexibility offered by the contract also offer a service outside normal office hours and it surely looks overwhelming.

Hilary Whates,
15, Queen Catherine Road,
Steeple Claydon, Bucks.

Post Office postage rates

From the Director of Public Relations,

Post Office

Sir—Your Moggidge (Survey, September 30) is clearly way off the mark with his comment on postage rates.

Basic inland second class post will be cut by 4p on November 4 from 13p to 12p—making it cheaper than for almost four years. It was last increased—by just 1p—in September 1984 after 24 years of price stability.

First class inland postage, which also went up in September 1984 after almost 18 months, has been frozen until at least the end of next March, along with all the higher weight step second class rates. Our

inland stamp rates are the cheapest in the EEC, with the exception of Greece.

Clearly there is no justification for Mr Moggidge saying that barely a month goes by without the Post Office putting forward one reason or another for increases.

We will not even be looking at our prices again until early next year. Whether or for how long we can continue to hold them will depend on our performance in the market place, continued success in reducing costs, the general economic situation and financial targets yet to be determined by Government.

Alan Feinstein,
33, Grosvenor Place, SW1.

Rates reform and farming

From Mr P. Richardson,

Mr P. Richardson

Sir—Your editorial (October 3) on the subject of rate reform referred to the "over-protected farm sector" which should pay more. The presumption is that farmers (who do pay rates on dwellings) should also pay on farm buildings in line with other industries. This is the attitude taken by Mr Teddy Taylor MP in his campaign to rate agriculture.

Such a method of rating would, however, be patently discriminatory. While it is difficult to argue against extra rating of the whole industry, the only fair way to do it would be to rate farmland as well as buildings. The land is our "factory floor"—but in correspondence with Mr Taylor, I have been told that such a system is excessively cumbersome and the principle of rating a "spec-

ulative asset" is not regarded as proper.

Yet—if rating were to be limited to farm buildings only—the sectors of agriculture which would be most severely hit would be those receiving least public support. The intensive livestock industry would be especially affected and would carry the burden for other sectors of the industry.

A further difficulty would arise from pressures to demolish many economically attractive but productively sub-standard buildings, were they to be rated. It is important to establish that one patently flawed system of rating is not replaced by another which is equally flawed. Philip Richardson,
Monor Farm,
Downham,
Wymondham, Norfolk.

September is a cruel month

From Mr J. Pugh

Sir—I have been following the controversy following your publication of the article "Why September is such a cruel month" with interest, having just completed my UCCA form and my Oxford entry form. While I agree that many people will not benefit from the form of classic degree on offer from the universities, I find the sentiments expressed by Mrs Mallett in her letter of October 3 somewhat extreme and outdated.

It is certain that many people of ability will not produce the A level grades required for entry, for whatever reason, be it illness or more frustration with the course being followed. Many will also not have the opportunity to study beyond O level. Are we to deny these people the chance of continuing education on a full-time basis merely because they have not performed well enough by conventional standards?

Why have people who have managed only one or two A levels "reached their potential" at a lower rung of the ladder? Are those who follow one career path all their life restricted in the same way? Surely those

who have performed excellently in their chosen specialised field ought to be provided with the opportunity for higher education to degree level? It is not enough to say that past performance can be the only criteria for university admission, and that the rest can merely study with the Open University.

Perhaps the best compromise has been achieved by Oxford, where a pre-A level examination is set with the intention of assessing potential ability. It is well known that A level grades may conceal facts about a candidate, somebody may have spent the previous year working very hard and end up with Cs and Ds due to bad luck, despite having the aptitude to attend university. Assessment by either interview or examination by the universities, by acknowledged experts who know what they are looking for, would seem a preferable way of sorting out the sheep from the goats, rather than merely looking for the conformist who produces a string of good A levels.

Jonathan C. R. Pugh,
The Bungalow,
Brymston School,
Blandford Forum, Dorset

ARTHUR BALFOUR, the Edwardian Premier, said he would sooner take advice from his valet than from the Conservative Party conference.

Eighty years later, the Conservative conference may still have a marginal influence on policy-making, but it does matter. As the annual conference starts in Blackpool this morning, party leaders will be anxiously gauging the mood of the rank and file, following a series of setbacks in last May's local elections, a fall in the party's poll ratings since the winter, the success of the opposition parties' conferences, and serious internal disagreement over rates reform, particularly in Scotland. There will also be pressure in fringe meetings from the "west" over employment and a good deal of noise offstage with the publication of the diaries of Miss Sara Keays, whose relationship with Mr Cecil Parkinson caused him to resign from the Cabinet two years ago.

But, above all, the Tory leadership will want to reassure activists that there is no drift and the Government has a clear sense of direction. At present there is a sense of unease. Mrs Thatcher's task is to ensure that normal mid-term uncertainties do not develop into a deeper doubt about the party's prospects.

These matters will be debated this week in a more polite and restrained way than at the other party conferences. This is partly because, constitutionally, the Tory conference does not decide policy, which remains the sole prerogative of the leader. Moreover, no minister is likely to stride angrily off the platform during Mrs Thatcher's speech on Friday, as Mr Eric Heffer did during Mr Neil Kinnock's attack on the hard left last Tuesday. Nor is the Prime Minister likely to be booed and called a liar by party activists. Most criticisms in Blackpool will be expressed away from the conference floor and in coded language (no talk of class traitors in the party of One Nation).

The Conservative conference is different from the others because the party is essentially a tribe (with a membership more than double the total of the other main parties) drawn together out of common identity rather than ideology. Its members are loyal to the leader while there is success but are brutal if he or she fails.

Their instinct is not to rock the boat. The activists (called representatives, never delegates) come to the conference to enjoy themselves, to observe and applaud the mighty and to express their views on the day. Any outspokenness is generally directed outwards, at criminals, socialists and



Mrs Thatcher, at the Brighton conference last year

The Tories' Conference

The vexed task of reassuring the faithful

By Peter Riddell, Political Editor

trade unionists, rather than the Government's vigorous privatisation programme, while another urges the Government to continue its fight to reduce inflation. A favourite device of speakers wanting to be called is to oppose the motion on the grounds that it does not go far enough.

Everything is carefully arranged to avoid any upset or impression of division. The agenda is a model of blandness. Motions for debate (1,020 this year) are picked from those submitted by local constituency associations by a committee of party managers and voluntary activists. Awkward subjects are not avoided but the motions are generally so anodyne that it is impossible for any Conservative supporter to oppose them. And difficult debates are liberally put on first thing in the morning before passions are aroused.

One motion this year applauds

the Government's vigorous privatisation programme, while another urges the Government to continue its fight to reduce inflation. A favourite device of speakers wanting to be called is to oppose the motion on the grounds that it does not go far enough.

Other motions beg the question. For example, the conference will be urged tomorrow to demand that the Government gives further urgent consideration to removing the manifest inequalities of the present rating system. No-one in the Government disagrees but the question of how to do so is causing much anguish among ministers. None of the motions suggesting possible solutions has been called for debate.

Similarly, grassroots discontent about the Government's recent problems will be neatly diverted into a debate about

party policy and public relations. Again, none of the critical motions has been called. The conference will be asked to reject "the attitude which accepts mid-term doldrums and instead resolves full support for Government policies, energetic campaigning on the doorstep, effective use of regular newsletters and energetic MPs devoting a great deal of time to constituents' needs."

Mr Norman Tebbit, the new party chairman, should have little trouble in answering that one.

Speakers are carefully selected to provide balance. Trade unionists, Asian entrepreneurs, the unemployed and the young will no doubt all be called this week and a full range of regional accents will be on display. This is not just a gimmick: the Tories do have a broader range of social support than any other party. Yet the selection is not accidental and most representatives will happily acquiesce. The Tories have called the Charter Movement, which has urged a more open conference has attracted little support.

For political aficionados the main interest will be in any hints of policy initiatives from ministers replying to debates. But these will be limited ahead of the cabinet's public spending decisions. Unlike the Labour conference where Mr Denis Healey, in common with other Shadow Cabinet members not on the national executive, was restricted to three minutes, ministers have time to make an impression.

Any licensed and cautious dissent will be expressed in fringe meetings, almost invariably in overcrowded hotel rooms and restaurants. Mr Peter Walker, Mr Michael Heseltine and other ministers are due to appear under the banner of the "wet" Tory Reform Group. Ex-ministers such as Sir Ian Gilmour make their criticisms in fringe events, seldom appearing in the conference building and almost never speaking. Similarly, Mr Edward Heath will hold court a few miles outside Blackpool, commenting sardonically on where it has all gone wrong.

These murmurs are of no great concern to the party leadership unless the criticisms are too loud or too sharp. For them, what matters is on the conference floor in front of the cameras.

Above all, the party managers want to avoid the dramas of the last two years—the Parkinson resignation of 1983 (now revived with Miss Keays's diaries) and last year's bombing in Brighton. They will be satisfied if some of the considerable, private doubts of the activists have been eased and if a new sense of direction has been given by Mrs Thatcher when she sits down after her standing ovation on Friday afternoon.

STRENGTH



Dreaming of expanding your business? Increasing its strength, its success in international competition? At Rhône-Poulenc we can help. We have over 80,000 trained professionals at your disposal all over the world. Our strength can be your strength. Let our worldwide marketing experience work creatively for you.

We can help you realize your potential - today and tomorrow.
Rhône-Poulenc: The Creative Chemical Company Worldwide.



RHÔNE-POULENC

From Textiles to Agrochemicals, from Magnetic Tapes to Pharmaceuticals, Rhône-Poulenc is established in more than 60 countries. Rhône-Poulenc's interests in Great Britain are covered by its subsidiary May & Baker and by Rhône-Poulenc (UK) Ltd, Hutton House, 161-166 Fleet Street, London EC4A 3DF.

Hull has the answer

Development facilities:
Director of Industrial Development,
76-78 Leazes Road,
Hull HU1 1LP
Tel: 0482 223035

City of Hull

FINANCIAL TIMES

Tuesday October 8 1985

Our merchant bankers say we'll be ready for the UK once we take on ...

Senior Securities

CITY OF LONDON 100 FINEST STREET LONDON EC2M 5PU
The first numbers to ring

David White in Lisbon analyses the election triumph of Portugal's centre parties

Radical change in the political scene

THE POLITICAL scene in Portugal has changed radically as a result of Sunday's general election. But the outcome, with PSD, the Social Democrat party, taking the upper hand at the expense of its former Socialist coalition partners, and the emergence of a large, new and ill-defined party, is far from clear.

The initiative has passed to 46-year-old Sr. Anibal Cavaco Silva, a former Finance Minister who re-emerged only five months ago to assume the PSD leadership and who made the election necessary by pulling the party out of the Socialist-led coalition presided over by Sr. Mario Soares.

Sr. Cavaco Silva's chances of surviving in parliament depend, however, on PSD, the Democratic Renewal Party, linked to General Antonio Ramalho Eanes, President of the Republic, which has leapt from nowhere to third place in the polls, ahead of the Christian Democrats and the powerful Communists.

For, even if it struck up a fresh alliance with the Christian Democrat CDS, with which it was in government before the last election in 1983, the PSD would still be short of a majority in the 250 member Assembly and hamstrung in its attempts to introduce a new economic programme.

Sr. Cavaco Silva has had a short but surprising political career. At the time of the 1974 revolution he was doing postgraduate economics studies at York University in England. Five years later he was unexpectedly named to the centre-right government of Sr. Francisco Sa Carneiro, who died the following year.

Rather stiff, with some of the easy charm of the last two Prime Ministers, Sr. Mario Soares and Sr. Francisco Balsemão, Sr. Cavaco Silva is the son of a petrol station owner in the Algarve and the very image of the upwardly-mobile middle class. Recently it has seemed there was no stopping him in achieving his second political surprise.

His campaign, compared by some with the actions of a bull let loose, has united the internally divided PSD behind him. He has managed to saddle the Socialists with the blame for Portugal's depressed economic state, even though the PSD was a minority partner in the last government and a majority partner in the previous one, under which Portugal lost control of its foreign debt. Drastic austerity measures under the supervision of the IMF, were the only option.

While the PSD increased its share of the vote from 27 per cent to

just under 30 per cent, the bulk of Socialist losses went to the new "Eanist" party, the PRD.

Fear of a strong showing by this party, which trades on the President's "clean" image and its own newness, untainted by the political image of the other parties, has haunted all the established political forces, including the PSD. In the event, the Eanist poll at 18 per cent, giving a provisional total of 45 seats in parliament, was stronger than their worst nightmares.

The "new faces" election has fudged the division between left and right forces. The PSD, now number one party on its own for the first time - although it won two general elections in 1979 and 1980 in alliance with the Christian Democrats - is more of a professional electoral machine than an ideological movement and covers a range of sympathies from conservative to centre-left. The party was heir to a system of political bosses that existed before the revolution, giving it a strong foothold in the north of the country.

The Eanists, now inspired with hopes of becoming the main party once their leader descends from his presidential pedestal to take charge next year, is by its own definition non-classifiable, and has both left-wing and right-wing supporters.

The classic parties of the left and right all lost ground. The Socialists, which since the start of democracy were the highest single party, lost almost 1m votes to score barely 20 per cent, less than half the 43 per cent target proclaimed in their election campaign - which would have been enough for a parliamentary majority.

The Communists, more surprisingly, also lost almost 3 per cent, dropping to 15.5 per cent, with their support apparently also defecting to the Eanists.

On the right, the CDS, eclipsed by the PSD, saw its score drop from 12 per cent to less than 10 per cent and will be in search of a new figure to replace its leader Sr. Lucas Pires. None of the other half dozen contestants, mostly extreme left, scored enough votes to gain a seat.

The massive setback to the Socialists and to Sr. Antonio de Almeida Santos, the man chosen to substitute presidential candidate Sr. Soares, for the position of Prime Minister, will cause a major rethink within the party. The austerity policies and economic orthodoxy of the last 24 years have evidently driven a wedge between the party and its low-income supporters.

The new government which will emerge from the elections, will be running an economy purged of its

worst external problems and awaiting recovery.

The current account of the balance of payments is expected to be close to equilibrium this year for the first time since 1979, with senior officials predicting a deficit of less than \$200m, compared with \$320m last year. The trade gap for the first seven months was 44 per cent down on the figure for the same period last year at \$734m and increasing exports are expected to produce growth of about 1.5 per cent for the year, offsetting 1984's negative result.

But domestic consumption and investment are still down, although the real purchasing power of Portuguese wages is expected to remain stable after a 10 per cent drop last year. However, the impact of EEC entry brings fresh inflation worries, despite an anticipated fall in the rate of price increases to 16 per cent at the end of the year, compared with 21.5 per cent last December.

In this confused political situation there is unlikely to be any clarification of economic policies until after the presidential ballot in January, which may well lead to another general election. The lack of political confidence, which Sr. Cavaco Silva has blamed for the recent fall in investment does not look like being resolved in the short term.

THE LEX COLUMN

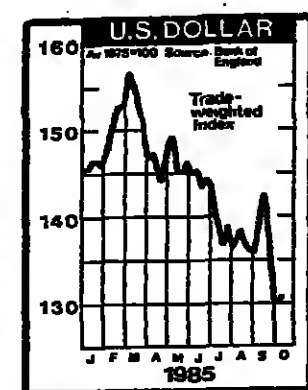
A running jump in the Thames

A stock-market listing for Thames Television never looked particularly enticing under the shadow of next year's Peco report on BBC advertising and a possible change in the ITV contractors' tax regime. But Thames did its best to scupper the chance by contriving last year, with the aid of two strikes, to turn £140m of advertising into a £5m domestic loss and to earn only half as much on overseas sales as it could reasonably expect.

Thorn EMI and BET, Thames' predominant shareholders, must be overjoyed to have found a company as ambitious as Carlton Communications, ready to take Thames off their hands for £20m - or a double-figure multiple of earnings - to March if the strike losses are made up. Those enthusiasts of Carlton, who have watched helplessly as its share price doubled to £20p this year, should be pleased at the prospect of the company's equity base to finance the deal, and the IBA will probably shed no tears for the franchise that tried to piffle the soap opera Dallas from the BBC.

Carlton has been doubling its pre-tax profits for the past four years through a judicious mixture of fast-growing TV-related businesses and acquisition with paper - although what contributes what is anybody's guess. Carlton is now moving into a mature industry, with a high degree of regulation, awful industrial relations and a cost structure whose fragility is only encouraged by the Exchange Levy, which is charged to profit after paying for all those fancy locations and funny clothes.

If it were just a matter of bringing Thames' profit margins up to the industry standard, Carlton would look like the job. Thames has overproduced programmes on a declining revenue share - and interest costs are one of the few items not allowable against the Levy. Carlton also runs an excellent post-production facility for times when those fancy locations prove a flop. But Thames can market Thames' back-catalogue more effectively abroad or to satellite television, or can switch the Levy relief to its existing production are open to question, and Carlton has only three years to prove worthy of the franchise while a Levy reform or BBC advertising could upset every assumption.



Dollar

It is now a fortnight since the Group of Five countries decided to join forces against the dollar, and judging by the currency's movements, they seem to have learned the old lesson from their less successful attempts earlier this year. In two weeks, the dollar has fallen 8 per cent on its trade-weighted index and 10 per cent against the Yen.

The banks are canny now about moving with the trend rather than trying to force markets to do about-turns. But they are still not averse to selling small amounts of dollars into a rally - using only just enough money to remind speculators of their presence. Yesterday, for example, the dollar rose from about DM 2.61 in New York on Friday night to as high as DM 2.68 before selling by central banks brought it down to DM 2.65. It is not clear yet whether the Five are satisfied with their forthright work; the dollar may have fallen a long way, but it still leaves U.S. manufacturers scrambling to compete in overseas markets. Even if they still think the dollar is too high, they may now be wondering whether it can fall much further without a change in fiscal and monetary policies on either side of the Atlantic.

The deficit reduction package being presented to Congress has found few friends in the foreign exchange markets; the feeling is that even if it is passed, it does not do enough soon enough. Meanwhile, neither West Germany nor Japan has shown that it is willing to relax its fiscal stance. And any noises about restricting capital outflows will more than likely boost those flows in the short term.

All of which leaves the Bank of Japan in a rather uncomfortable bind. Each time it intervenes against the dollar, it slices a few per cent off the value of its citizens' overseas assets. But that must be rather less painful than watching trade barriers rise against Japanese imports in the U.S. if nothing is done to strengthen the yen.

Revlon

It is just conceivable that the scattering of poison pills and junk paper has settled a price at which the Revlon cosmetics empire can finally be broken up. Shareholders have only to decide which of two almost identical \$1.7m deals has the sweeter smell, with only 25 cents apparently separating the higher Pantry Pride offer from Revlon's own combination buyout and liquidation proposal, that decision calls for sensitive nostrils.

As is only fitting, each offer still contains the old booty-van. The poison pill which Revlon swallowed during the summer still threatens to turn its equity into loan notes if the Pantry Pride offer were to succeed; it is only natural that PP's offer remains conditional on the pill being repurchased. So far as it goes, that part of the Revlon defence is not to be scorned.

Although the Revlon management's original scorn for highly leveraged breakups may have struck a sympathetic chord with some shareholders, and with anyone who was at all sceptical about financing outside takeovers with junk bonds, much of that sympathy has now been thrown away; it is hard to show that Revlon's offer for has any other logic from that shown by Pantry Pride. Indeed, the main difference appears to be that the buyout would provide more generous parachutes for Revlon management.

Apart from some feeling that Revlon is trying to have both sides of the argument, shareholders may also be wondering if Pantry Pride may not actually be offering a slightly higher premium than first appears. By saying that it will hold in trust the \$5m fee that Revlon has promised to its prospective partners, Pantry Pride might be able to throw in almost 80 cents a share of Revlon's own cash. Unless some third party scooped the pill by a higher bid altogether, that tangle-listing extra might just be decisive.

Banks act to push dollar lower

By Philip Stephens in London

CENTRAL BANKS intervened in the foreign exchange markets yesterday in an attempt to forestall a rebound in the dollar's value after its heavy losses in recent weeks.

Foreign exchange dealers said that the Bank of Japan, the U.S. Federal Reserve, West Germany's Bundesbank and perhaps the Bank of England made small-scale dollar sales. The move succeeded in pushing the U.S. currency off its highs in early trading, though it still registered gains from last Friday.

The intervention came after the weekend meeting of the Group of Five major industrial countries in Seoul where finance ministers and senior central bankers review the impact of September's agreement to push the dollar lower.

The markets interpreted comments by central bankers at the talks as signalling that they were wary of further aggressive dollar sales in case such action prompted an uncontrolled slide. There were also indications that they did not want the U.S. currency to fall too far from its present levels.

That led to an initial sharp rise in the dollar's value in Far Eastern and European trading yesterday until the central banks intervened.

Central bank officials said the action was designed to signal to the markets that they were prepared to stand against a rapid recovery in the dollar's fortunes, though they stressed that the amounts involved were modest.

One suggestion was the total spent was only between \$200m and \$300m. The sales were essentially a warning shot rather than a major concerted effort.

In London the dollar ended the day at DM 2.65, 18 pence higher than its previous close, but around 2 pence below the best levels of the day. Against the Japanese yen, which has appreciated rapidly over the past few weeks, the dollar was at ¥215.40 up from ¥213.40.

The pound weakened slightly against the dollar, losing 0.15 cents to close in London at \$1.4135, but registered gains against most European currencies. That was reflected in a sharp rise in the sterling index of 0.6 points to 89.2.

See Lex; Currencies, Page 31

Ikarus to attack European and Far East bus market from UK

By John Griffiths and Anthony Moreton in London

IKARUS of Hungary, one of the world's largest bus manufacturers, plans to set up an assembly operation in Britain creating several hundred jobs within 18 months which would export buses and coaches to Western Europe and the Far East.

The company has already established a sales arm, Ikarus UK Sales through a London-based agent under revised Hungarian foreign trade policies which allow selected export companies increased freedom to make their own foreign trade agreements.

Its London-based agent Robertson International, which handles trade for several other Hungarian enterprises, is investigating the UK's six freeports as the base for assembly and production operations, which are expected to employ several hundred people.

Ikarus UK sales is also to compete in the UK bus market, although vehicles produced within a freeport zone would be subject to normal UK duties.

So far, no details have emerged of how the Ikarus operation is to be structured, or of sales and output ambitions.

However, Western bus producers have long kept a wary eye on Ikarus, because of its low-cost production base and its size. It produces a bus or coach every 20 minutes, and

out of the nearly 14,000 it built last year, nearly 12,000 were exported. Its principal markets are other Comecon states - the Soviet Union imports more than 6,000 a year - but it also has substantial existing business in the Middle East, Asia and Latin America.

It also has an assembly joint venture in the U.S. while bus bodies are built from Ikarus kits by local manufacturers in Cuba, Iraq and Angola.

Its range of products is very wide, from minibuses to large articulated units, of which it now builds more than 2,000 a year.

UK bus companies are aware of the impending Ikarus moves, which are being treated with some anxiety. The UK bus market is already crowded with Leyland Vehicles and Metro Cammell Weymann produce mainly large double and single-deck buses, but Ikarus would be well placed to take advantage not only of opportunities in the large bus market but the smaller vehicles expected to proliferate as a result of the Transport Bill - to deregulate bus operations.

By operating from a freeport base, using principal components produced in Hungary, Ikarus could provide stiff new competition for UK manufacturers in their traditional developing world markets.

However, as an integrated producer of both chassis and bus bodies, Ikarus is likely to argue that it could collaborate with UK concerns to provide them with low-cost bodies for their own exports.

Body-building capacity currently acts as a restraint on UK manufacturers. Leyland estimates that it can reasonably expect to sell 2,000 buses a year outside the UK, but that this could be doubled if more body-building capacity was available.

None of the six freeport sites chosen by the government - Southampton, Liverpool, Birmingham, Cardiff, Prestwick airport in Scotland and Belfast - has made the progress hoped for them.

Southampton is the most advanced, having started a 50-acre extension to the original site next to the M27 motorway. But it has attracted no more than a handful of tenants and admits that the extension is "an act of faith."

Liverpool adopted a different approach - that originally favoured by Hamburg - and encompassed a large section of its existing dockside an designated this a freeport. It is therefore able to point to a fully working freeport. In fact, it has attracted fewer new tenants than Southampton.

UK Conservative chief attacks opposition attitude to the law

By Peter Riddell in Blackpool

THE BRITISH Labour Party's attitude to police and the courts was strongly criticised last night by Mr. Norman Tebbit, the new Conservative Party chairman, on the eve of the start this morning of the party's annual conference in Blackpool.

His attack came after he urged local party agents to campaign harder against opposition parties. Reflecting what will be one of the themes of the conference, he said the Conservative Party had "to get rid of the mid-term blues to take us to another triumph for the blues in 1987 or 1988."

Mr. Tebbit made it plain that the Tories' campaigning style would be tough. He said that next year political broadcasts on radio and television similar to one last week when there was an outspoken attack on the Labour Party. He said that "hitting hard - right on the target" would be part of a co-ordinated campaign.

At a press conference later Mr. Tebbit said that "wickedness" rather than unemployment had been why a gang of 100 people had killed a policeman in a London suburb on Sunday. He then criticised the remarks of Labour Party leaders such as Mr. Geoffrey Kaufman, the Shadow Home Secretary, and Mr. Kenneth Robinson, the Shadow Justice Secretary.

The Conservative Party chairman said that large and influential elements of the Labour Party were spending "so much time" on attacking British institutions. He quoted a press report of a speech by Mr. Paul Boateng, a black lawyer, who is chairman of the OLC Police Committee and a prospective Labour Party candidate, who allegedly attacked the independence of the courts and urged resistance by local residents. Mr. Tebbit said that Labour Party leaders should deal with people who talked like that before criticising others.

Mr. Tebbit's robust approach will be reflected in his two conference speeches, this morning and tomorrow afternoon.

The conference will open amid the tightest security ever seen in Britain; tighter even than that required for entry to the White House in Washington. There are extensive metal and body searches and individual photographic passes are examined five times before anyone can enter the headquarters hotel in which police almost outnumber media and Tory officials.

The leadership will this week try to improve supporters' morale following the successful conferences of the opposition parties and in face of rank-and-file unease and a fall in the Government's and Mrs. Thatcher's opinion poll ratings.

View from the grass-roots, Page 11; Editorial comment, Page 18; Reassuring the party faithful, Page 19

be reflected in his two conference speeches, this morning and tomorrow afternoon.

The conference will open amid the tightest security ever seen in Britain; tighter even than that required for entry to the White House in Washington. There are extensive metal and body searches and individual photographic passes are examined five times before anyone can enter the headquarters hotel in which police almost outnumber media and Tory officials.

The leadership will this week try to improve supporters' morale following the successful conferences of the opposition parties and in face of rank-and-file unease and a fall in the Government's and Mrs. Thatcher's opinion poll ratings.

View from the grass-roots, Page 11; Editorial comment, Page 18; Reassuring the party faithful, Page 19

Mr. Tebbit's robust approach will

be reflected in his two conference

speeches, this morning and tomorrow

afternoon.

The conference will open amid

the tightest security ever seen in

Britain; tighter even than that re-

quired for entry to the White

House in Washington. There are

extensive metal and body searches

and individual photographic passes

are examined five times before any-

one can enter the headquarters

hotel in which police almost out-

number media and Tory officials.

The leadership will this week

try to improve supporters' morale

following the successful confer-

ences of the opposition parties

and in face of rank-and-file unease

and a fall in the Government's

and Mrs. Thatcher's opinion poll

ratings.

View from the grass-roots,

Page 11; Editorial comment,

Page 18; Reassuring the party

faithful, Page 19

Mr. Tebbit's robust approach will

be reflected in his two conference

speeches, this morning and tomorrow

afternoon.

The conference will open amid

the tightest security ever seen in

Britain; tighter even than that re-

quired for entry to the White

House in Washington. There are

extensive metal and body searches

and individual photographic passes

are examined five times before any-

one can enter the headquarters

hotel in which police almost out-

number media and Tory officials.

The leadership will this week

try to improve supporters' morale

following the successful confer-

ences of the opposition parties

and in face of rank-and-file unease

and a fall in the Government's

and Mrs. Thatcher's opinion poll

ratings.

View from the grass-roots,

Page 11; Editorial comment,

Page 18; Reassuring the party

faithful, Page 19

Mr. Tebbit's robust approach will

be reflected in his two conference

speeches, this morning and tomorrow

afternoon.

The conference will open amid

the tightest security ever seen in

Britain; tighter even than that re-

quired for entry to the White

House in Washington. There are

extensive metal and body searches

and individual photographic passes

are examined five times before any-

one can enter the headquarters

hotel in which police almost out-

number media and Tory officials.

The leadership will this week

try to improve supporters' morale

following the successful confer-

ences of the opposition parties

and in face of rank-and-file unease

and a fall in the Government's

and Mrs. Thatcher's opinion poll

ratings.

View from the grass-roots,

Page 11; Editorial comment,

Page 18; Reassuring the party

faithful, Page 19

Mr. Tebbit's robust approach will

be reflected in his two conference

speeches, this morning and tomorrow

afternoon.

The conference will open amid

the tightest security ever seen in

Britain; tighter even than that re-

quired for entry to the White

House in Washington. There are

extensive metal and body searches

and individual photographic passes

are examined five times before any-

one can enter the headquarters

hotel in which police almost out-

number media and Tory officials.

The leadership will this week

try to improve supporters' morale

following the successful confer-

ences of the opposition parties

and in face of rank-and-file unease

and a fall in the Government's

and Mrs. Thatcher's opinion poll

ratings.

View from the grass-roots,

JOHN LAMOR CONSTRUCTION LTD, HEAD OFFICE: PRINCE STREET, LONDON NW7 5ER. TEL: 01-589 3830 - ABINGDON (0224) 630 346 - BELFAST (01756) 66711 - BIRMINGHAM (021) 42774 5947 - BRIMINGHAM (021) 707 2120 - BRISTOL (0274) 39481 - DURY SO EXAMING (0204) 702266 - GERRARD (0222) 43300 - CARLISLE (0228) 21404 - CLACKSON (01) 321 7055 - LEEDS (0532) 444331 - LONDON (01) 233 4665/4666/2662 - LUTON (0525) 31111/426661 - MANCHESTER (061) 422 2373 - NEWCASTLE UPON TYNE (0208) 266521 - NOTTINGHAM (0522) 41004 - SHEFFIELD (0114) 275821 - SOUTHAMPTON (0703) 34531 - WALSLEY (01924) 550474

Urban Renewal 2

Progress reports on the two large urban areas covered by development corporations

A flagship hopes to justify its cost

The London Docklands

RHYS DAVID

ONLY THE MOST carping critic could fail to be at least a little impressed by the development that has taken place over the past four years in the eight and a half square miles of London Docklands.

At locations spread throughout the area, which extends from London Bridge in the west to Woolwich in the east, small new estates of housing have been sprouting up, older terraces are being re-habituated, and ugly gaps filled in.

Three new superstores have brought a modern style of shopping to the area, while new transport systems—a light railway with a connection to the Bank in the City and the proposed short take-off and landing airport (Stolport)—are promising to reduce the paradoxical isolation of an area physically very close to the rest of London.

Crumbling warehouses have been restored and divided, and new single storey steel-clad sheds built to house unfamiliar new industries such as computers, film-making, and professional services. More than 200 new companies have moved in, creating 5,700 jobs, and nearly 1.9m sq ft of floor space is under negotiation for addition to the 1.8m sq ft already completed or under construction.

There could soon be more newspaper production in docklands than in Fleet Street. News International, publishers of the Sun and News of the World has built a 400,000 sq ft plant at Wapping, the Daily Telegraph will finish its new 285,000 sq ft plant in the Enterprise zone on the Isle of Dogs in 1987, where the Guardian will also move, into a 45,000 sq ft printing works. The latest Fleet Street refugees to announce a move to the area is Associated Newspapers, publishers of the Daily Mail. Albeit at considerable public

expense, London Docklands has established itself as the flagship for urban renewal in Britain, a putative example of what can be done to get growth moving again in an area where the sheer size of the problems appeared to have brought on paralysis for a period of decades.

The London Docklands Development Corporation, the body set up by the Government to deal with the problems left by the movement of trade away from the area, has used wide-ranging legal powers to acquire land compulsorily, and its generous Government funding to embark on an extensive programme of infrastructural works. This has in turn promoted significant private sector spending. Net public investment of £141m since 1981 has led to private investment of £221m, a very respectable leverage ratio of more than 5 to 1.

Land values rise

The strong demand for the land which the LDDC has been able to acquire and release has produced a dramatic change in land values. "In many parts of docklands and indeed for many sites now regarded as carrying high development potential, values in 1981 were negative or so minimal that no redevelopment could take place," Mr Reg Ward LDDC's chief executive points out. Since then, values have increased fivefold to more than £300,000 an acre and are still rising.

With so much achieved in such a short time, the question, inevitably, is whether the momentum can be sustained over the 10 years or more which docklands officials feel it will still take before the area can start again to look after itself.

Over the longer term, too, there is another imponderable. Will the mix of new and existing population, of public and private sector housing—the latter extending from starter homes to luxury riverside pent houses—and the older, generally port-related, industry, and

modern high technology and services employment, ever blend together to create a balanced community?

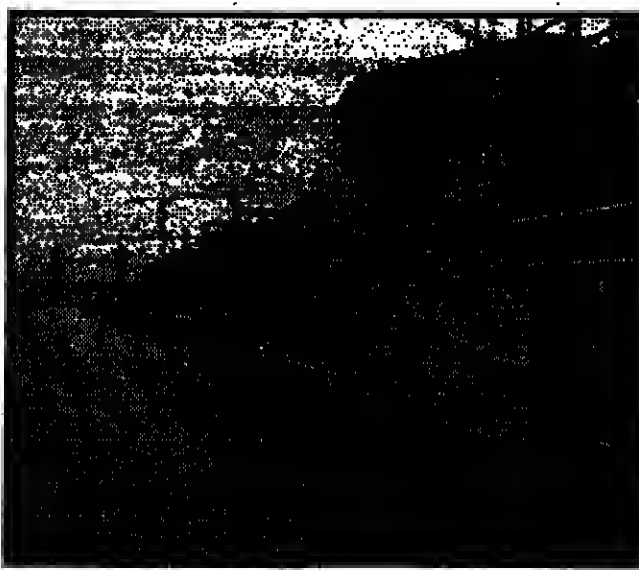
On the housing front there are no signs of any slowdown, in itself, not surprising given the LDDC's policy of ensuring that prices for much of the property remain well within the range of first time buyers (many of whom have been council tenants within the area or former dockland residents who have wanted to move back).

The LDDC is able to achieve this through the specifications it requires of builders, and through the building licence system which it operates. This separates the sale of houses and land on which it stands, with the builder responsible only for the former and the LDDC for the latter. The target aimed for by the corporation and achieved to date is to have around half the housing available for sale priced at below £40,000 (adjusted annually for inflation).

So far, about 2,500 new houses have been built with a further 4,600 under way. In the process the proportion of privately-owned housing in the area has increased from a mere 5 per cent to 15 per cent with the aim eventually being a figure nearer 30 per cent.

The top end of the market for properties in excess of £100,000 has largely looked after itself according to Mr Eddie Oliver, deputy chief executive, with a number of schemes being undertaken by major builders to convert old riverside premises into luxury apartments with extensive views. The pace of development in the area has also meant that builders have been prepared to come forward with housing schemes directed at middle managers and priced at £65,000 upwards.

But while success has been achieved in housing, with developments to suit most pockets, going ahead across the LDDC's area, the pattern commercially and industrially has been somewhat different with projects concentrated so far on the Isle of Dogs.



Prosperity returning to London's docklands: London Bridge City, the biggest office block in Europe being built for St Martin's Property Group by Laid on the south bank of the Thames close to Tower bridge. It will contain 3m sq ft of office, shops and leisure development.

The reason is twofold and does offer one possible cause for concern over the rate at which progress may be possible in coming years in job creation. The LDDC, Mr Oliver points out, made its first extensive land acquisition in this area and was able to get on with site preparation. In the Royal group of docks there have been delays, and agreement still has to be reached with the main land holder, the Port of London Authority.

The LDDC is having to proceed in many cases through long drawn out compulsory purchase procedures, with the attendant risks of loss of momentum and frustration of would-be developers. One immediate problem posed for LDDC by slow and piecemeal land acquisition.

Early take off

The other main reason for the early take-off of the Isle of Dogs has been its designation as an enterprise zone, and the real test of docklands attractiveness as an industrial location is what happens elsewhere on sites not enjoying the rates holiday (until 1992) and more relaxed planning requirements.

As they become ready for development the area not enjoying EZ status will also provide the real test of the attitude to docklands of City institutions.

"The financial institutions are conservative animals who want to be sure of property values," suggests Mr Oliver who

professes not to be surprised at the relative lack of enthusiasm shown to date by the pension funds and insurance companies. Moreover, he points out, as non tax payers, they would not benefit from the tax advantages available in the EZ, where most of the development so far has taken place. The banks which do pay tax have been prepared to invest.

As the enterprise zone finishes and we move progressively into other parts the financial institutions will become more interested," Mr Oliver asserts. And while money is not coming forward as fast as he would like to fund new buildings, an encouraging sign is the interest buyers are showing in completed premises either pre-let or not. Another welcome development over recent weeks has been the growing interest being shown by City institutions in moving operations to docklands itself.

Where sufficient land exists—unlike in the square mile—for the large integrated offices which the City Revolution is likely to demand. Now that one or two pioneers have announced their intention of moving to the area others are likely to follow, it is thought.

In the long term, however, whether the social mix that is now being created in docklands works could be just as important in determining whether the scheme goes on to become a lasting success as the flow of financial backing.

For an area so close to the centre of London it remained strangely not cosmopolitan, largely unaffected by the movements of population inwards and outwards which have affected other areas. As such there is a degree of insularity and a suspicion of newcomers which it will take all the new sports, social, community and training facilities which the LDDC is creating to overcome.

From the newcomers' point of view not all the facilities they might expect to find are close at hand, in particular high quality shopping. Here the LDDC feels it has to tread carefully so as not to undermine existing shopping centres.

The key seems likely to lie in momentum. So far, only a small part of the area's inherited problem of dereliction, and decay, and the associated lack of jobs, have been tackled but the money the present council been enormous. Having gone so far so fast docklands cannot afford to stop. If it can go on at its present pace, the miracle may be there for all to see before the year 2000.

THE TRANSFORMATION OF HALIFAX

From eyesores to elegance

LOOKING DOWN from the hillside of the Calder Valley presented the observer, 15 years ago, with one of the most depressing industrial landscapes in Britain.

There is still no mistaking that the West Yorkshire town of Halifax is an industrial settlement which has its economic roots in a different age. Many mill chimneys still dot the skyline.

Yet, Halifax has steadily performed a remarkable transformation. Through conservation, stone cleaning and careful adaptation, Halifax now has one of the North's best preserved and most attractive centres.

It might not have been so. The town had a plan to virtually bulldoze the heart of the town in the 1960s but fortunately details of the scheme could not be agreed.

Operation Eyesore was launched in 1972, since when a vast number of Victorian and Edwardian buildings have been cleaned, three-quarters of the money coming from Government.

The large and magnificent Piece Hall, built in 1779 and now the only former cloth "piece" hall of its type in Britain, has been transformed from the wholesale fish and fruit market into which it had stumbled into a living call of more than 40 units providing space for small shops and businesses within an 18th century environment.

Dean Clough Mill, once part of the Crossley Carpet group

Merseyside

IAN HAMILTON FAZEY

RENAISSANCE is not too strong a word to describe what is happening on the Liverpool waterfront. Last year 250 acres of disused docks, municipal rubbish tip and derelict complexes of petrochemical storage tanks were born again as the International Garden Festival (IGF).

This year has seen the birth of yet more of the Albert Dock village, which is based on a city centre, quadrangular dock surrounded by galleried warehouses that comprise the largest group of grade I listed buildings in Britain.

The village will eventually be a £70m community, developed by the London property group Arrowcroft with support from the urban programme. It will contain up-market, riverside apartments and the northern home of the Tate Gallery. These will add to the growing numbers of shops, bars, restaurants and offices into which, together with part of the Merseyside Maritime Museum, the warehouses are being transformed.

But this is only the beginning, for the adjacent King's and Queen's Docks are now the subject of intense study and negotiations. These will be developed as a £60m leisure and entertainment complex, linking to the village through interconnected quays and an extensive water regime served by water taxis.

The body in charge is the Merseyside Development Corporation (MDC). Its new chief executive and former development director, Dr John Ritchie, is now talking to 12 developers, all of whom want some part of the action. He thinks that this alone illustrates the progress made by the MDC—when it started five years ago such a spread of serious interest in Liverpool's disused dockland was non-existent.

Special body
"It shows the value of setting up a special body like this to use public money and lead the way," he says. The MDC spends about £29m a year at present, increases being linked roughly to inflation. The Government is happy with its progress because it justifies what many still regard as a highly controversial approach to inner city regeneration.

By setting up development corporations to bring the redundant docklands of London and Liverpool back to life, the Government, in effect, bypassed the local authorities who would have liked the job. Since the corporations were invested with the extraordinary powers that flow from being their own planning authorities, elected local leaders could only stand and watch as they got on with it.

But anyone who observes Merseyside politics can see that very little would have happened except things had been left to "normal" processes.

Apart from changes of the party in control, Liverpool could not have afforded the scheme—and had it been given extra money the present council would almost certainly have wanted to spend it on housing. Strained relations with the other Merseyside authorities would have made agreement on a joint approach virtually

impossible. As it is, the Government has been able to make the work of the MDC a critical ingredient of its plans to regenerate the Liverpool economy. But it is an open question whether what is emerging was as planned as people now pretend. It is obvious to any student of MDC history that there is now much greater hope being pinned on the development of tourism than ever before.

There used to be much more talk of attracting high-technology industry—or indeed any sort of industry. But the reality of industrial development in the 1980s is that there is far too little to attract, and certainly not enough to justify the sort of expenditure involved.

As nearly everywhere else, "new industry" means new or relocating small businesses and the MDC has always been providing for these. But the larger scale of economic impact now centres on a vision of the Liverpool waterfront as a gigantic playground.

This would stretch four miles from the Pier Head—the Albert Dock is adjacent—to the Festival Gardens, which have just attracted £40,000 paying customers at £2 per adult, despite the poor summer and despite being a reduced, if still impressive, version of last year's IGF.

This is part of a "pro-active," determined attempt to change the economic structure of Merseyside. The old port-based structure has collapsed; a new tourism-based structure is being developed. If the Government meant this alone it did not state it quite as bluntly before.

But Dr Ritchie believes it can work, as the success of the IGF showed, leading to the emergence of a profitable infrastructure of hotels, restaurants and shops.

He thinks that by the end of the decade, Liverpool will be an important centre for mini-holidays, with the MDC's projects the crux of everything—and without the MDC, there would have been no focus to make such projections even remotely realistic.

Meanwhile, a leisure park operator is being sought for the Festival Gardens, which will almost certainly open next year.

The fact that the MDC still has the gardens was totally unplanned. The original idea was to hand them over to the city of Liverpool but that agreement was with the Liberals. It was eventually re-written after Labour had won control of the council and demanded extra money to take them on.

The MDC was left with them, but with no extra funding. It meant that money earmarked for industrial development in another part of dockland had to be diverted, but it is unlikely that this money could have been used profitably anyway.

The MDC has seen it all in an opportunity. It now has a much more coherent way in the emergent Merseyside leisure industry. This in turn will make the Government happier about putting in funds, since they will go through the own agency. It also helps with potential private sector developers who might be otherwise deterred by the image of Liverpool city council.

The Albert Dock complex, Britain's largest collection of listed buildings, lies at the heart of a scheme to transform Liverpool's waterfront. Former warehouses are being converted by property group Arrowcroft at a cost of £70m into up-market residential, retail and leisure facilities.

You need imagination, vision, knowledge and practical experience to turn a problem into a profitable future opportunity.

But that's our business—and that's why you find Steetley in urban renewal and development. We have a good record of finding new uses for old sites and bringing life back to areas that were abandoned and unproductive.

We apply the right blend of original thinking and modern technology to provide the good ideas, services and materials for developments that benefit people:

—Aggregates for ready-mixed concrete for foundations and above-ground construction.

—Traditional brick styles—some to full-size Imperial dimensions—and reconstructed stone to blend sympathetically with existing surroundings and buildings.

—New shades, textures and special shapes to give exciting fulfilment to modern designs in brick.

—Clay roofing tiles for the very best weather protection, appearance and long life.

—Paving bricks for footpaths, open spaces and roads.

Steetley plc, PO Box 6, Gateford Hill, Worksop, Nottinghamshire S81 8AE

Telephone: Worksop (0909) 474551

Telex: 54124.

STEETLEY

A very promising outlook.

Principal activities of the Steetley Group are the production of construction materials and refractories, mineral extraction and processing and the distribution of chemicals and industrial and electrical supplies.

FACELIFT

From Salvesen comes a range of facing bricks to breathe new life into older buildings. Rich, warm colours and sandblasted or smooth textures create a range of 73mm bricks ideal for refurbishing, modernisation, extension work and maintenance. Add to this the consistently high quality with which the Salvesen name is synonymous, and you've got a range to really feel at home with. The Salvesen Brick range is also available in 65mm. Send for full details!

73mm

SALVESEN BRICK

Adswold Road, Cheadle Hulme, Cheshire. 061-485 8211.
Windmill Lane, Denton, Manchester. M34 2JF. 061-320 7215.

Islington Borough Employment Office
48, Old Street EC1V 9HX
01-253 8913

URBAN RENEWAL

means
RESEARCH
RENOVATION
RENAISSANCE
in London's Liveliest Location

Landscape Architect

Needed to join a design team engaged on award winning projects including reclamation, industry, recreation and hospitals

Apply sending two references to:
PROFESSOR A. E. WEDDLE
50 Whinfield Court, Sheffield S11 9QA

half inlets

Urban Renewal 3

Scotland and Yorkshire have their own specific renewal problems for inner city areas. A look at how they are being tackled

How a selective area approach paid off

Scotland
MARK MEREDITH

SCOTLAND has produced some of Britain's worst cases of inner city decay and some of the best examples of urban renewal. The steady and dispiriting erosion of manufacturing industries has impoverished large parts of cities like Glasgow, which by the 1980s had some of Europe's worst slums. The decline of the jute industries has similarly taken much of the life out of Dundee.

The problems have been so massive that it has been beyond the scope of a private sector in retreat. Successive governments, until recently have gone for the big gestures, backing instead vast new projects like the Linwood car plant, the Ravenscraig steel works, the Corncroft pulp mill, the Invergordon aluminium smelter, all of which were laid down with visions of employment and a second golden age of supporting industries.

Today only the Ravenscraig steel mill struggles on against the odds. These big gestures, however, have not helped the situation. Glasgow, to the urban developers of the 1960s and early 1970s, was a place to get away from. A motorway was slashed through the heart of the city and a network of good arterial routes facilitated the escape from run down areas like the Gorbals.

A series of five new towns were created to disperse people from Glasgow, and, after the 1974 election, the new Labour Government, under James Callaghan, merely continued the depopulation of Glasgow.

By 1974, with the agency by the then government, a new approach to urban renewal was being tried. The agency combined its task of industrial promotion with reviving inner city areas. Success stories like the Glasgow Eastern Area Renewal (GEAR) project, and the Leith project show the advantage of viewing urban renewal at one remove from local government.

"The agency has been able to work at the supply and demand side of the problem," according to Stuart Gulliver of the SDA. It had the resources to help build new houses, clean up streets and neighbourhoods, and it was able both to encourage demand by investment in companies, and to develop specific properties with good business potential.

Local government would often have only the resources to improve local housing but would be unable to take the economy of an inner city district much further.

Resources

The SDA developed an area approach. It was not, Gulliver argues, a surrogate national urban policy for Scotland. The organisation in charge of urban renewal did not see its job in terms of a national strategy. Instead it selected areas where its resources could be made to work.

GEAR was a comprehensive urban renewal project—the only one of its kind—the SDA co-ordinating a wide range of operations affecting education, social welfare and recreation.

Subsequent projects have not been as extensive or expensive. GEAR had a budget of £206m. The SDA sent task forces into areas like the Gorbals valley following the closure of the steelworks and into Clydebank following the shutdowns of the large Singer works. The forces had the role of clearing the way for new industry—in the case of Clydebank, a successful enterprise zone was created.

The government was very anxious for the agency to move into these three projects in the West of Scotland. Only since then has the agency had a more

free hand to help regenerate inner city areas as it saw fit. So called integrated projects have followed in the Blackness area of Dundee, Leith in Edinburgh, Motherwell, southeast of Glasgow, Dundee itself, Coatbridge to the east of Glasgow and most recently Inverclyde which has seen a dramatic decline of its shipbuilding industries.

These projects have been specifically designed to bring local authorities and local business in on the proceedings. Urban renewal, the agency is convinced, could not be viewed as a quango moving in wholesale, but rather as a joint operation involving the local community closely.

The SDA has a status unlike any other body in the UK. It has tried to promote industry while at the same time encouraging the market to do most of the running. Joint ventures, and venture capital have been used to win over cautious and hesitant financial institutions.

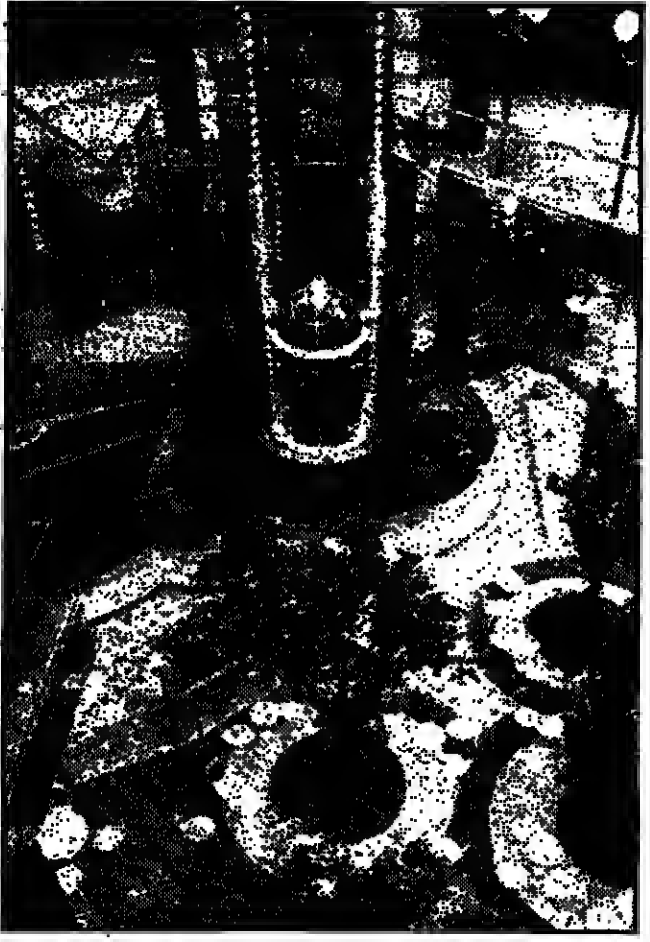
Property developers, for example, were encouraged to move increasingly into areas once presumed the preserve of official bodies like the SDA. In housing and industrial property the private sector has shown increasing confidence.

Lessons have been learnt in recognising the cities, as Gulliver calls it, the process of bringing business into "brownfield" areas instead of "greenfield" sites.

The heart of Glasgow is a very different place today from the mid-1960s. The GEAR project has been followed by a series of initiatives to regenerate the central city area.

The agency's latest project called the Merchant City aims to bring back to life a whole chunk of the city centre which once housed its big merchant interests and now could live again as the home of the growing service sector which accounts for over half the jobs in Scotland.

The momentum started by the GEAR project is there and the city seems pleased with its vastly improved image. Much more is to come with big shopping and office complexes



The Ridings, shopping centre in Wakefield, West Yorkshire. The trend has moved sharply towards enclosed shopping facilities as the drawbacks of earlier mall schemes have become apparent.

planned for the downtown area. In Edinburgh the Leith project has been largely confined to housing and fostering the area's links with the main city. This year some of the Edinburgh festival performances were put on in Leith.

Understanding

With 12 urban renewal projects under its belt, the agency feels it now has a good understanding of some of the problems involved in reviving inner cities.

"For one thing, you cannot use the same script each time," notes Gulliver. Each project has a unique set of problems requiring a unique combination of possible solutions.

The great examples of inner city renewal in the U.S., while stimulating many British planners, do not automatically fit into the context of the UK.

Radical new housing projects in some U.S. cities, Gulliver notes, have led to more wealthy home owners moving in and the occupants of the area being pushed out, taking their problems with them. Projects should not beggar the people they seek to serve," says Gulliver.

The agency has found that decentralising the administration of its urban renewal projects has been instrumental in winning the confidence of the local communities. Project offices with their project leaders are operating in the community.

Gulliver feels that the natural rise and fall of urban economies should be better understood. Communities dependent on mining for example must be helped to come to grips with the decline of this industry, its natural decay. It is a case of managing decline.

Big drive to improve housing standards

WEST YORKSHIRE is a pot pourri of urban headaches and environmental opportunities. Impressive development schemes rub shoulders with derelict and frequently unusable textile mills, severely depressed districts and unaffordable housing. Narrow Pennine valleys present major construction handicaps in some towns.

Government cutbacks in borrowing allocations for housing have also had a damaging impact in almost every town and city.

In LEEDS, despite a colossal post war clearance programme in the back-to-back housing areas of Hunslet and Holbeck, serious housing problems remain. While less than 1 per cent of its 284,000 house stock lacks basic amenities, the city still has the largest number of back-to-backs (20,000) of any British city, and 8,000 of these do not have any enclosed garden. Some 60,000 of its houses are pre-1919.

The demolition of Hunslet Grange with its 1,800 sub-standard deck access flats is almost complete, but the city still has major problems with system-built housing and large inter-war suburban estates. The council said last year that a staggering £713m was needed for repairs and renovation to bring its total housing stock to acceptable levels.

The council complains bitterly that if it was now receiving the real levels of its 1979 Government approved borrowing allocation this would be double the £36m it was actually allowed to borrow last year.

It built 300 new houses last year but says heavy repair spending requirements, and the Government's tight borrowing limits, could bring the new build programme to a halt. At the same time the repair problem is worsening.

Interesting housing developments are in train, however. The Raynville estate's 230 houses have been sold to Wimpey, the building group, for refurbishment and private sale with £2.5m grant assistance.

A unique financing arrangement with the Halifax Building Society in the Crown Point Bridge scheme, involving warehouse conversion and new building, is designed to bring people

back to the city centre. Perhaps because Leeds has kept intact much of its employment base, and has a pronounced commercial self-confidence, it has done less than some cities in tourist-related ventures. It possesses a splendid industrial museum in the Armley Mills and proposals are under consideration to convert the Whitbread Brewery in Kirkstall into a museum.

A £20m project to transform the site around the Leeds United football ground into a family sports centre has been agreed and the Henry Moore sculpture hall has been a successful addition to the art gallery in the private sector a former clothing factory on the edge of the city's commercial

Yorkshire and Humberside
NICK GARNETT

area has been turned into offices and a restaurant.

BRADFORD, ten miles from Leeds, was singled out in the report on tourism by the new Employment Secretary, Lord Young, earlier this year for its initiatives aimed at attracting visitors, a policy partly borne out of the creation of an economic development unit in 1979, one of the first of its type in the country.

It claims to have the country's third biggest conservation programme. The St George's Concert Hall has been refurbished at a cost of £2m and £0.5m has gone on the old Wool Exchange. The Alhambra Theatre is currently undergoing a £9m refurbishment which will also extend the stage area.

Yet, Bradford has some of the most distressing environmental problems in Britain and has suffered from drastic road schemes that have needlessly destroyed neighbourhoods. Some of its inner urban housing areas are crumbling and, because of its large Asian population and their relatively high birth rate, its inner area population is rising.

The city estimates it needs 2,000 new houses now and

16,000 within a decade but on present building rates there could be a shortfall of about a half.

Repair problems in the council housing stock are worsening and some of the outer housing estates are showing a familiar mix of physical deterioration, unemployment and poverty-induced stress. Some 3,500 council flats will require major repairs or modernisation in the next few years.

More than a half of its existing inner city schools are over 80 years old and 12 new schools are needed in the next five years to cope with rising school rolls. Elsewhere in West Yorkshire, urban renewal has been on a more limited scale. HUDDERSFIELD has sought to preserve some of its finer stone buildings, while in WAKEFIELD the earlier redevelopment of the city centre has now been supplemented by new shopping provision in the much-praised Ridings enclosed shopping development.

In HULL, the city is engaged in an imaginative redevelopment of the old town and waterfront. A marina with 165 berths has been built and converted the Pease warehouse complex into living accommodation.

A well-laid out landscaping scheme has been finished at the Pier Head and a proposed £32m leisure development for Princes Dock is on the stocks. The council and Associated British Ports, which said last year that it needs to close the fish docks, are now examining ways of keeping the docks open for leisure use.

SHEFFIELD, which took major strides in the 1960s to make itself one of Europe's most clean cities, is facing a new problem. The near-collapse of its steel and engineering sector left the Lower Don Valley, particularly in the Attercliffe district, an ugly blotch of demolished buildings and empty factories.

One-third of this long ribbon of land is described as derelict. The City Council has begun to try and tackle this huge problem and has partially transformed the Carrbrook Hall area including the reclamation of a large scrap yard and the building of factory units.

The Ibstock contribution to urban renewal

A specialist brickmaker has a vital role to play in the refurbishment of buildings and the realisation of renewal projects. From the renovation of inner city terraced housing to such massive schemes as that which has brought new life back to Liverpool docks, Ibstock has acquired considerable experience. And in the United States our sister company, Glen-Gery Brick is busy on equally interesting projects. These three booklets show in detail different aspects of work we have undertaken with architects, planners and developers on both sides of the Atlantic. If you would like copies, please clip the coupon.

IBSTOCK

Ibstock Building Products Ltd and Glen-Gery Corporation are subsidiary companies of Ibstock Johnson plc

Ibstock Building Products (GTA) Freeport Leicester LE1 7ZH
Please send me a copy of each of the three booklets illustrated.
(PLEASE USE BLOCK CAPITALS)

NAME _____
POSITION _____
COMPANY _____
ADDRESS _____
POSTCODE _____



Urban Renewal 4

Rich possibilities for redevelopment

Newcastle
RHYS DAVID

THE HISTORIC quayside along the River Tyne in Newcastle, the first sight which visitors entering the city by rail from the south will see, cries out for development.

The drift of trade away from the port since its heyday in the 19th century and early years of the 20th century has left behind a legacy of unwanted buildings, many of them constructed with impressive Victorian solidity to express the confident view of the future taken by the city's merchants.

Intermingled with these buildings are remnants of an earlier commercial past, part of a Roman wall and of an arch from a Medieval Tyne bridge, as well as the Norman castle keep and timber framed 17th century buildings.

A wealth of possibilities for the redevelopment of the area springs to mind and has indeed been promoted by Newcastle city council. Many of the older buildings could be converted into small offices, and some might be suitable for homes.

Improved access to the quayside is also seen as opening up the area's tourist and leisure prospects—one of the job creators of the future in the view of Lord Young, the recently appointed Employment Secretary.

To date, government funding of £6m has been made available for improvement schemes in the area carried out mainly under the auspices of the inner

city partnership and a further £400,000 was announced last month to spruce up the quayside for the start next year of the Curry Sack Tails race.

Some re-use of existing buildings, for restaurant, small-scale retail and office use, has already been achieved, and among the larger schemes is the proposed conversion of the Princes Building, one of the largest 19th century office blocks outside London, into flats.

The old Northumberland county hall is being made into luxury flats and local builder, C. M. Yull, is going ahead with the construction of 40 new homes on the quayside, to be priced between £25,000 and £60,000. A new Crown court is also under way.

Progress to date in securing development has been only steady, however, and is cited in the area as evidence that schemes of the sort now favoured by the Government, which rely heavily on small amounts of public money to generate large amounts of private capital, may not always work in areas where the local economy lacks dynamism.

"Outside retailing there is very little heat in the local economy so there is no queue of developers coming forward," Mr Peter Rake, a city council official observes.

Very generous infrastructure investment has failed to change the climate. The Tyne and Wear Metro has been an undoubted success in transport terms, and its bright new stations have created an impression of activity in the city centre.

They have not been accom-

panied to any extent, however, by commercial development.

The same problems of weak local demand are afflicting efforts to upgrade other historic parts of the city centre. To the south of the £70m Eldon Square shopping centre redevelopment of 10 years ago lie the fine early 19th century streets laid out by the architect, Grahner, and the builder, Dobson, one of the largest collections of listed buildings in the UK.

The upper floors of many of these buildings are under-utilised and studies have been taking place to see whether conversion to flats could take place.

Successes

Here again development is likely to take time though there have been some successes including a housing association conversion of the Crown Hotel near the main railway station which has created 220 flats behind a listed facade.

The industrial scene is similarly sluggish with, Nissan apart, few new projects moving into the area, and because of the dominance until recently of major groups and older industrial sectors, such as coal and steel, there is no real tradition of entrepreneurial activity in modern industrial sectors.

In the enterprise zone which covers both sides of the River Tyne the biggest success to date has been the £140m proposed Metrocentre development, a huge out of town shopping centre on a 115-acre reclaimed ash tip on the Gateshead side.

While this is forecast to

employ 6,000 by 1990, playing to one of the area's strengths—buoyant retail spending—it will undoubtedly take business away from Eldon Square and other parts of the area, particularly in consumer durables.

The view taken in Newcastle is that the sort of public/private sector leverage which the Government wants from UDC schemes is unlikely to be obtained in the North East and that policies more attuned to the conditions prevailing in the area are needed. By this is generally meant further direct spending on removing inherent weaknesses in the structure of the local economy, and further direct help for disadvantaged groups.

It is pointed out, for example, that the money available to Newcastle under the Housing Investment Programme has shrunk from £30m to £3m since 1979, while the waiting list has increased tenfold. Needs have changed too with the proportion of elderly people in the population rising.

As in many other parts of the country joint local authority/private developer schemes have been tried and councils in the area would like to encourage more. In housing, for example, private sector builders have been brought in to help upgrade estates in a number of areas. In South Tyneside, the Newcastle-based national builders Bellway bought 150 terraced houses from the local authority and has spent a further £200,000 to create 90 modernised homes all of which have been sold.

While welcome, however,

such schemes are likely to provide only a partial solution to the problems.

The argument in the end is a political one, between the Labour local authorities in the area which want generous funding for long-term programmes, in the area and a Conservative Government.

The Tyne and Wear metropolitan authority (due to disappear next May) has channelled resources into environmental schemes (such as its pioneering industrial improvement areas), into strengthening small and medium-sized firms (for example through its innovation centre), and into correcting weaknesses in the local economy (for instance through providing backing for MARI, the Microelectronics Applications Research Institute), as well as into training and community based projects.

These it argues are all projects of a type suited to the area's needs but now subject to far too much detailed vetting by a Government essentially much more interested in the sort of quick boosts which a big scheme such as the Metrocentre—itsself a major beneficiary of subsidy by virtue of its enterprise zone location.

The Government for its part can respond that infrastructure development has been given its chance—as with the Metro railway network and motorway building—and has not produced the commercial benefits intended, and that a new strategy which attempts to bring in the private sector is not only justified but overdue.

Meanwhile the problems remain.



From hard-to-let to desirable: a number of estates in the north east have been rescued by a combination of pump-priming public finance and private capital. The two-bedroom flats above, which were sold to council tenants and first-time buyers at the council's waiting list for as little as £10,000, used to be the vandalised properties below.

POST-WAR CONSTRUCTION
IN BRITAINWhat
went
wrong?

A leading architect gives his views on the problems

WHAT HAS gone wrong with the building of modern Britain that so little of what has been constructed since the war is regarded as having merit, and so much is considered a disaster?

As each successive demolition of an ill-conceived or badly built tower block further bruises an already, if very often unfairly, damaged reputation, it is a question architects and planners have been struggling to answer.

The answers are undeniably complex and it is a story from which neither political party emerges smelling of roses.

One, according to Prof. Douglas Wise, director of the Institute of Advanced Architectural Studies at York, lies, however, in the atmosphere and attitudes of the immediate post-war period when a strong desire existed to reshape and rebuild.

"No one was asking us when we were coming to renovate old buildings, many of which had been pushed further into decay by the war," he says. "What are you going to pull this lot down," observes Prof. Wise, an architect of 40 years' standing whose professional life embraces all the major shifts of recent years—from post-war reconstruction in Newcastle, to green building and to rehabilitation.

The possibility of tackling redevelopment on a comprehensive basis had been opened up, too, by extensive wartime damage, leading planners to think in terms of further widespread clearance schemes.

City after city was seduced by the mirage of a massive rise in land values once low value property had been cleared and bigger sites assembled. What had not been realised was that these upward values would in many cases prevent land even to this day being brought back into use, while enormous additional costs would be generated by the social problems subsisting to arise from the decimation and splitting up of stable communities.

Lessons

Another strand in this post-war thinking, Prof. Wise notes, was the concept of use-zones. The idea was that because industry had often been a noisy, dirty or smelly neighbour in the past, it would make sense to divide off offices, houses and industry into their own separate compartments.

"The theories of town design in the post-war years which were supported by society at large neglected the lessons of history which had always indicated that the good urban places and spaces we enjoyed were the result of organic growth."

At the same time, as another distinguished architect, Patrick Nuttons, observed in his recent BBC2 series *The Flight from Utopia*, the politicians were caught up in a bid to outdo each other in house building.

The conventional wisdom was that in a tight post-war Britain, room could only be found for the number of people requiring rehousing, by building high. The land released by building upwards would, it was thought, create valuable new community space, and the problems arising from the fact that building high often isolates land by overhauling it, were not foreseen.

To meet the demand, the building industry was strongly encouraged to build quickly, and to invest in factory-based building systems.

The trend towards the rehabilitation of buildings rather than their demolition was prompted in the first instance, Professor Wise argues, by economic considerations when councils found their new building costs were being affected in the 1960s by rising material prices.

Other developments soon

Problems demand bold
new initiatives

THE WEST MIDLANDS, politically sensitive because of the speed of its industrial decline, has not missed out on the new initiatives aimed at urban renewal.

It gained two of the biggest UDCs awarded: £4.68m for completion of the Birmingham City Council paradise circus industrial site at the central headquarters of BTL, the international group of engineering companies, and £3.3m for Enterprise zone—have been created at both Telford and Dudley. Around £40m a year of public sector money is pumped into the metropolitan county under inner area programmes.

Much of the region has been granted assisted area status under the Government review of regional policy.

Whether the measures are adequate to meet the scale of the problem created by the latest recession is another matter.

The West Midlands forum of county councils, representing a mix of Labour and Conservative administrations in Hereford and Worcester, Shropshire, Warwickshire and the West Midlands metropolitan area talks of "the region's economic collapse".

It points to:

- 300,000 jobs lost since 1980 with the total rising
- 43m sq ft of vacant and disused factories and warehouses
- more than 6,000 hectares of derelict land—such "waste land" increasing faster than reclamation
- more than 200,000 dwellings in need of improvement
- more than 10,000 homeless and 110,000 families on waiting lists
- inner city unemployment of more than 40 per cent.

The West Midlands County Council alone—due for abolition next April (1986)—calculates that in each year to 1991 more than £92m extra is required for public sector infrastructure spending in housing, transport, derelict land and environment.

It argues such sums are necessary not only for the success of the present strategy of regeneration but also to attract private sector investment at a suitable rate.

Since 1974 the council has acquired and reclaimed more than 1,600 acres, with the seven metropolitan districts pushing the total to around 2,500, but from next year it will be left to the district councils to take over the leading role, to fears that the whole programme will lose momentum.

The smaller authorities, pursuing more localised interests, and without the economies of scale enjoyed by the county, will have to crank up their activities quickly. The recession that has ravaged the West Midlands means that even with the reclamation achievements of the past decade the area of dereliction has increased by 28 per cent.

At current rates of reclamation it would take at least 50 years to conquer the problem. The benefit of such programmes is underlined by the county estimates that every pound of "public sector spending attracts on average 2.1 times that amount of private capital."

Linked with reclamation is the county strategy of developing a two-year rolling programme of land and property acquisition to fill identified gaps in the market and bring forward difficult sites.

Funds are also increasingly being made available direct to companies who might wish to sell their factory to help with expansion or enter a purchase and lease-back arrangement to release working capital.

There are a number of other gaps that must be filled if the districts are to follow up important county initiatives, particularly:

- "Operation Green Up"—a five-year programme to improve the environment along 130 miles of major roads
- The Greenline project—a £18m scheme to tackle comprehensively "the vast swathe of decay" that stretches from Birmingham to Wolverhampton
- Canals strategy—a programme to improve the extensive canal network and promote tourism
- Shopping centre improvement—some £3m has been spent on arresting the decline of inner city shopping areas such as those recently affected by the Birmingham riot

The government-backed urban programme aimed at helping areas of deprivation, and 75 per cent funded by the DoE produces funds of around £40m a year for schemes within the West Midlands county. The priority zones include the inner city areas of Birmingham, Wolverhampton and Coventry and a large sector of the Black Country embracing most of Sandwell and parts of Walsall and Dudley.

The metropolitan county commission has made clear.

plans, however, about the lack of a strategic overview, claiming the application of separate designations and different allocations to adjoining boroughs with similar problems and overlapping labour markets does not reflect the real nature of the problem.

It criticises the DoE for not being sympathetic recently to projects which include a risk element. Urban programme guidelines are said to be applied in a rigid, inflexible manner, depriving information and justification of projects, especially where refurbishment or new building is required.

The county maintains its experience is shared by the districts and the effect of the DoE stance is to slow down the implementation of programmes, thereby reducing public spending.

West Midlands
ARTHUR SMITH

A complaint made by many local authorities is that while the Government might be broadly maintaining funds under the urban programme they are being cut on other spending at a time when economic and social problems are mounting.

A good example is provided by Birmingham City Council under which the outside of private-owned property is rehabilitated on a comprehensive street or block basis, at no cost to the owner.

The action extended the life of the housing but at a much lower cost than redevelopment. From 1978 the Birmingham venture was specially funded under the urban programme. It proved so successful that in 1982 the DoE in order to spread the idea to other local authorities accepted it could form part of ordinary housing programmes.

The transfer of finance was dramatic for Birmingham which found its main housing allocation held back by Government moves to curb spending. The number of houses approved for improvement slumped from nearly 10,000 in 1983-84 to only 1,700 last year.

Approvals this year have climbed slightly to 2,500 but the city points out that every year about an additional 5,000 fall into disrepair. The city already has a stock of 75,000 pre-1919 houses each in need of reconditioning costing at least £2,500. New council house building has been hit similarly with only 248 scheduled for completion this year.

Birmingham for all its much-publicised problems and special help, faces a mounting problem just on housing. Nor is it alone, as the forum of county councils has made clear.

HOW BARRATT HELP
TO KEEP THE LIFEBLOOD OF
OUR INNER CITIES FLOWING.

In recent years inner city decay has become one of Britain's most pressing social problems.

And sadly, its the same tragic story throughout many of our major conurbations.

Derelict run-down buildings and deprived neighbourhoods can lead to hopelessness and vandalism.

Which in turn often leads to discontent and reduced inner city population.

It's one of today's most vicious circles.

But there is hope. Such a vast problem gives equally vast opportunities for re-birth and re-development.

And in the forefront of this hopeful new movement is Barratt, Britain's urban renewal specialist.

In partnership with Central and Local Government, housing associations, banks and building societies, Barratt is involved in revitalisation schemes all over Britain and the U.S.A. Helping to put back the heart into inner cities.

The benefits to local communities are far reaching indeed.

Run-down neighbourhoods are transformed to provide vitally needed, affordable housing. Council waiting lists are reduced. Employment is given to local people. And the whole environment is given a new lease of life.

Indeed Barratt, already firmly established as Britain's largest private housebuilder, is now the country's foremost name in urban renewal—with over 8,000 units in the pipeline.

It's also comforting to note that all Barratt's specialist urban renewal Companies can provide a complete service—from analysing the problems, organising the finance and land re-cycling through to the design stages, construction and marketing.

For further information write to Mike Norton, Marketing Director, Barratt Developments PLC, Ponteland Road, Newcastle-upon-Tyne, NE3 5DP.

Act today, and help us build new life for our cities tomorrow.

PUTTING THE HEART BACK INTO OUR CITIES.

Barratt

Whose quality facing bricks are chosen
for more buildings throughout the UK?

Urban Renewal 5

A double-sided picture

TWO VERY different urban renewal stories regularly present themselves from within the Greater Manchester conurbation.

First there is the variety of new schemes, some of them like the conversion of the old Central Station in Manchester into a conference centre, and the rehabilitation of the Pier area of Wigan into a leisure development, among the best of their types in the country. At the same time a number of reports reveal the chronic backlog of sewer, road and house repairs. In the city of Manchester alone \$600m is the estimated cost of bringing its public housing up to an acceptable level.

While the number of houses classified as unfit has steadily fallen, the number in the lower category of "disrepair" has risen at a time when the Government's housing capital allocation for the country's districts has been halved in real terms since 1979.

The road pattern within the conurbation is in many places outdated. The sewerage system is a management nightmare. Worse still, some of the planning of the 1960s was ill-conceived, and the construction and architecture of many of the modern office blocks, and shopping facilities in the main centres has proved to be poor.

The policy of population dispersal in the 1960s when 85,000 houses were bulldozed in Manchester alone and many of their inhabitants moved to Tameside and Rochdale on the outer fringes of the county is now seen as a mistake.

Despite a programme of land reclamation, derelict land as defined by the Department of Environment has steadily risen since 1974 from 8,400 to 10,000 acres. The total amount of vacant land amounts to a staggering 7,200 hectares on 2,370 sites, the equivalent of 12,000 football pitches. Through demolition and reconstruction, unoccupied older industrial floorspace has been shrinking but still stands at 18m sq feet.

Nevertheless, urban renewal projects are in hand, reflecting in part the conurbation's realization that many older buildings could have a future as leisure or tourist facilities. The rehabilitation of the old Central station into an international exhibition centre at a cost of £22m is due to be completed soon in a joint development between Commercial Union Properties and Greater Manchester Council. The Air and Space Museum, a city council venture in the old Exhibition Hall, and the Greater Manchester Museum of Science and Industry in the former Liverpool Road railway station (the world's first

station) have created a pleasing atmosphere in that part of the Castlefield district.

Plans to include Granada Television's Coronation Street set alongside, as a tourist package, are proving difficult to negotiate, however, and faster progress needs to be made in improving Castlefield's environment, particularly through the opening up of the stretch of canal where the Bridgewater and Rochdale canals join.

Greater Manchester

NICK GARNER

St Ann's Square in the centre of Manchester has been made into an attractive precinct and a clutch of warehouses in the city's rundown commercial textile district have been converted into offices. One of these buildings houses the substantial trade centre for the Chinese community which has made a big impact in bringing life back to that part of the city. So, too, has the re-opening of the Opera House for musicals and other shows at the other end of the city centre. Transformation of one of Manchester's old markets into a craft centre has been an architectural success but it has to meet the problem of an out of the way location. Small pockets of new housing and flats have been introduced into Manchester's centre to help bring people back to the city.

The £3m Wigan Pier development was formally opened last month. This attractive scheme incorporates a "living exhibition" of Wigan, a public house named after George Orwell whose book *The Road to Wigan Pier* helped to elevate the Pier into national folk culture, and walkways. The conurbation's towns like Rochdale and Bolton have managed to retain much of their character under the onslaught of brick and glass.

The county council in co-operation with the districts has run a ten-year programme of opening up the river valleys in improvement schemes often linked to country parks. The Tame, Mersey and Croft-Irwell valleys were first on the list and more recently the Etherow-Goyt and Douglas valleys have been tackled.

Yet, the overall impact of such schemes on the major environmental problems of the area is limited. One third of the county's 1m dwellings were built before 1919. A quarter of the total is classed as unsatisfactory either because they lack basic amenities or are in a state of disrepair at least to the tune of £2,500 each. Problems in the private sector outnumber those in the municipal owned housing. Council officers believe the Government's proposal to turn improvement grants into loans might jeopardise improvements in up to 90,000 houses.

Test case for central or peripheral shopping

THE ANSWER to a question which a lot of British cities are asking could emerge from the Welsh capital over the next few years: can out of town superstores and city centre shopping cohabit successfully, or does the former inevitably lead to a decline in the latter, adding still further to the burdens of local authorities trying to maintain jobs and commerce in traditional town centres?

Cardiff, a relatively compact city with a population of 300,000, could provide an ideal testbed for a number of reasons. It has a vibrant shopping centre which in recent years has attracted a number of new retailers. This strong consumer spending in the area has not gone unnoticed by superstore operators, and when a new Tesco store is opened on the main road west, Cardiff's western, northern, and eastern approaches will stand commanded by strategically placed developments, planning permission for each of which has been granted only on appeal and in the face of opposition by the city council.

The basis for opposition was the likely effect on a redeveloped city centre which has managed to remain a strong focal point for the community and which, even more importantly, has escaped hitherto many of the social and economic problems found in other conurbations.

For this good luck as much as good planning has been largely responsible. There were in the 1950s and 1960s a long delay in drawing up a redevelopment strategy while councillors pondered over what sort of scheme would reflect the dignity of a first city should have.

After several costly planning studies, the Ravenscroft Partnership was appointed to undertake a vast comprehensive development scheme, but before it could be embarked upon it had to be abandoned because of the property collapse of the early 1970s.

Out of the ashes have emerged a series of measures carried out by a variety of developers on a much more human scale, the overall effect of which has transformed Cardiff's city centre from declining retail and commercial competitiveness to relative buoyancy. What is more, older buildings of poor quality have been

pulled down, and new buildings put in their place, to the south of Queen Street, the city's main shopping route. Elsewhere sensitive retail has taken place as at Jones Court in Womanby Street, one of the oldest roads in the city.

The catalyst for much of what has happened has been the principal element in the rebuilding package, the St David's Centre, for which the Heron Group was chosen as developer. Its main facilities include a conference and concert hall and retailing, with a new Debenhams store as the anchor.

Cardiff's council, as the planning officer, Mr Euryl Davies, points out, decided that this had to be high quality and has put pressure on other developers to follow this cue. The strengthening of the city centre has generated other investment. With the aid of Urban Development Grant, Commonwealth Holiday Inns of

threat to the continued success of the city centre.

Apart from the development of the three superstores—which join a number of others already established in South Wales—structure plan proposals put forward by South Glamorgan envisage a number of sites on the fringes of the city being used for retail, commercial and industrial development.

Many of the developments which have come to Cardiff and helped regenerate its centre would not have been so if the subsequent erosion of the city's policy on out of town facilities had been foreseen. Mr Davies claims "There is a mutual advantage to commerce and retailing of proximity which will be lost if dispersal takes place. Other services which the centre can offer in the cultural and leisure field will also be weakened," he argues.

The council's critics claim these fears are exaggerated and that there is room for both city centre and out of town shopping. Indeed they suggest that the trend to car-borne shopping is a major superstore is a response to a genuine public demand, while commercial and industrial development will create jobs for surrounding areas. The role of the city centre must change, but it will remain dominant in areas such as fashion where a wide range of choice is sought.

The Welsh Office in granting the three superstore applications on appeal has indicated that insufficient evidence has been offered to demonstrate that the dire consequences predicted by the city will occur. In general, Welsh Office policy follows guidelines laid down by the Department of the Environment—that it is not a function of planning to inhibit competition between retailers or in methods of retailing.

The DoE does recognise, however, that planning authorities may in exceptional circumstances have to take account of the cumulative effect of large scale developments, and it could be this criterion will prevent further applications in the immediate Cardiff vicinity from succeeding.

For the moment this is where the argument rests. Both sides will be watching closely the pace at which future development takes place—and for signs from the city centre letting market—for evidence to support their respective cases.

Cardiff

RHYD DAVID

Cardiff is erecting a \$9m new hotel on land which had lain derelict for some time, close to the main station. The Land Authority for Wales and the Wales Gas Board, both of which were considering out of town developments, have also been persuaded to stay in Cardiff's city centre, respectively in the former Custom House, and in a purpose built 200,000 sq. ft. block.

To the south of the main railway line which bisects Cardiff, a big dockland redevelopment scheme, for which Tarmac has been appointed, will shortly get under way. It involves building new homes alongside a disused dock, refurbishment of old warehouses, some new industrial building including a high-tech element, a new county hall for South Glamorgan and leisure development.

The revival of Cardiff's city centre has been achieved, Mr Davies argues, by virtue of a consistent planning policy in favour of maintaining city centre activities which has drawn support from whichever party has been in power, and it is challenges which this policy is now undergoing that are seen as potentially the greatest

Post-war rebuilding problems

CONTINUED FROM PAGE 4

added to the momentum, three of which were cited by Mr Nuttall. These were first of all, the Roman Point disaster, which seriously undermined public confidence in tower blocks, the Poulson affair, which exposed public corruption in local authority dealings with their advisers and suppliers, and the Civic Amenities Act of 1967 which introduced the concept of conservation areas.

The results of this new concern to regenerate rather than replace can now be seen in towns and cities big and small throughout Britain, and are themselves likely to be the subject of the next debate over the planners' and architects' contribution to Britain's late twentieth century environment.

On the positive side, Prof Nuttall observes, has been a new concern about the quality and

scale of the existing situations in which new developments take place. Greater thought has been given to the use of familiar materials and familiar building elements, and there has been greater concern to integrate the new with the old.

There has also been increased interest in making buildings more attractive. The cleaning of many older facades has revealed hitherto forgotten detail, and encouraged designers to break with the bland, faceless style of recent years. Brickmakers, for example, are experiencing a healthy demand for the specials they list in their catalogues.

Designers, architects, and planners now have to look at the context, and recognise the characteristics in terms of heritage, materials, colour, pattern and rhythm. This has been done successfully, Prof Nuttall argues, in a number of recent schemes including Coppergate in York,

Hobhouse Court, off Suffolk Street in London, St Katherine's Dock in London, and the Ridings Centre at Wakefield.

There are nevertheless dangers inherent in the current passion to preserve and a proper balance between old and new needs to be preserved.

"Almost the last thing you can now do in this country is to pull a building down. The danger is that as a result of our attachment to history we are now conserving environments which we should be looking at much more critically. We must care for what has been left but we also have to add our own contemporary dimension, and we are in danger of failing to do this," Prof Nuttall notes.

In older towns and cities, because of the strength of the conservation movement, there is very often a fear of taking the wrong decisions, and the risk

of choosing instead to make all the new buildings look exactly like the old. "There must be a creative response to any environment."

The diminishing contribution which the cash-limited public sector has been able to make is also worrying Prof Wise. "The major post-war contributions to housing have nearly all come from the private sector," he argues, with the Greater London Council (and its predecessor the London County Council) responsible for some notable schemes that have worked very successfully.

He is also proud of the renowned Byker scheme in Newcastle to which his own partnership contributed, and he argues that social problems associated with large-scale housing are very often the result of failure to include the intended community amenities.

"My concern is that the



Prof Wise: complex issues

Government thinks all our problems will be solved by involvement of the private sector. The big builders, are essentially looking for simple solutions. They want greenfield sites that are flat, well drained and with services in. They will build without regard for the site or for local conditions. They will not work where it hurts but that is where so many of the problems are."

RHYD DAVID

Redland Bricks: from Covent Garden to The Cavern Club

From the award-winning Odhams Walk in Covent Garden to the redevelopment of Liverpool's legendary Cavern Club, Redland Bricks help set the tone of urban renewal. So wherever you need bricks, it's only natural to call Redland first.

After all, we've the widest range of bricks in the land, so specifiers of bricks can choose from over 100 different colours and textures.

From the warmth of reds to the softness of pastels, from autumnal browns to the subtlety of multi-coloured. Each is made with all the care and craftsmanship that stems from over a century of experience.

In fact, the bricks you're trying to match may well have been made by Redland originally. So why look further?

Redland: the first people to talk to about bricks and urban renewal.

For further information on urban renewal, please contact Redland Bricks Ltd on: London 01 379 7142, Reigate 07372 49341, Southampton 0703 38252, Birmingham 021 455 7879, Leeds 0532 438 266.



Cavern Club, Liverpool, Barley Old English



Lambeth Walk, London, Pluckley Shapley Multicoloured Stock



Regent Wharf, London, Chalfont Stock



Snow Hill Station, Birmingham, Haughwood Brown Brindled



Tredegar Place, Cardiff, Beas Green Workmade Pastels

Redland Bricks
Built-in quality. Built-in life.

REDLAND BRICKS LIMITED, REDLAND HOUSE, REIGATE, SURREY RH2 9ST. TEL: REIGATE (07372) 49341. TELEX: 48642.

Urban Renewal 6

Organisations involved in urban renewal in the UK: who does what

THERE IS supposed to be nothing more powerful than an idea whose time has arrived, and this has certainly proved true of urban renewal.

Since the realisation began to dawn that wholesale clearance of areas and rebuilding could no longer be afforded, a strong head of steam has built up behind the alternative approach—taking the best of what has been inherited, restoring it where possible, and adding new developments on an appropriate scale and in a sympathetic manner.

The following are just some of the organisations working very actively in the urban renewal field:

BRICK DEVELOPMENT ASSOCIATION (BDA)

The new emphasis on renewal has been good news for brick-makers whose order books have been badly hit in recent years by lower levels of construction activity, particularly in public sector housebuilding. Renewal, because it involves blending in with the past, means more often than not the use of brick rather than competitive materials, such as concrete. In a classic sell-well exercise, the BDA has been hosting a series of presentations throughout the country for planners, civic leaders, architects and designers, showing how brick can be used to revive decaying urban areas.

BDA, Woodside House, Winkfield, Berkshire SL4 2DX. Tel. 0344 385681.

BUSINESS IN THE COMMUNITY

Britain's big industrial groups, because of the factory closures forced on them by changing industrial trends, have been responsible indirectly for much of the industrial deterioration in big cities, and the associated problems. Their desire to make amends has been channelled in many cities into support for the enterprise agency movement, the umbrella body for which is Business in the Community. The selection of outstanding contributions is invidious but among those recognised as leaders are BAT Industries and Marks and Spencer and National Westminster Bank (just about everywhere).

Business in the Community, 227A City Road, London EC1X 1LX. 01-253 3716.

BUILDING CONSERVATION TRUST (BCT)

Supported by a variety of donors, the trust runs a permanent public exhibition at Hampton Court. Entitled 'The Care of Buildings', this deals with the problems of maintenance likely to be faced by the owners of older buildings, whether cottages or castles, and points them in the direction of appropriate skills, advice or assistance.

BCT, Apartment 29, Hampton Court Palace, East Molesey, Surrey, KT8 9BS. 01-943 2277.

BUILDING SOCIETIES:

The wheel has turned full circle from the debate of a few years ago when building societies were castigated for declining to lend on some properties in rundown inner urban areas, the so-called practice of 'redlining'. Now a number of societies, including giants such as Nationwide, Woolwich and Abbey National are keen to be associated with urban renewal. Imaginative schemes have been worked out with builders, local authorities, and housing associations. In most cases this involves the provision of finance to enable lower income earners to acquire a stake in home ownership.

CITY ACTION TEAMS:

Set up by the Government to cover the inner city partnership areas of Birmingham, Liverpool, London, Manchester and Newcastle, the teams are intended to bring together the efforts of three departments: Environment, Trade and Industry and Employment. Significantly, following the ministerial reshuffle last month, reporting has been transferred to Lord Young at Employment. Their task according to Government is to see that resources are used more effectively in promoting the inner cities. Local authorities, always suspicious of too close Government involvement in their affairs, say they are hoping the teams will sort out the bureaucratic tangles which emerge when different Government departments compete with each other in the

same area. Department of Employment, Cannon House, Tothill Street, London, SW1H 9NA. 01-213 3906.

DEVELOPMENT CORPORATIONS (London Docklands and Merseyside):

Regarded by the Government as one of its shining successes, the development corporation model could be extended to other areas where seemingly intractable problems have paralysed efforts to overcome dereliction and decline. Merseyside DC, Royal Liver Building, Pier Head, Liverpool, L3 1JH. 051-528 6990. London Docklands DC, West India House, Millwall Dock, London, E14 7TJ. 01-515 3906.

EUROPEAN COMMUNITY:

The European Regional Development Fund can make EEC money available to assist with infrastructure investment, to finance certain industrial projects and to help areas where older industries are in decline. All applications have to be channelled through the British Government machine, however. Department of Environment, 2 Marsham Street, London, SW1P 4ET. 01-212 3424.

ENGLISH HERITAGE (and its counterparts in Scotland and Wales):

This, the shorthand title for the Historic Buildings and Monuments Commission, can make grants for the repair of historic buildings, towards con-



Urban problems are now at the top of the agenda for the new Environment Secretary, Mr Kenneth Baker. He is seeking a big increase in funds for housing but is likely to run into strong opposition from the Treasury

servation area schemes, and to town schemes. Among the more notable projects it has backed over recent years are improvements in Newcastle's Clayton Street and Quayside areas and repairs to 18th and 19th century terraces in Liverpool.

E. H., 25 Savile Row, W1X 2ST.

HOUSING CORPORATION:

The main funding body for the 2600 voluntary housing associations operating in Britain.

H. C., 149 Tottenham Court Road, London, W1P 0EN. 01-287 9468. National Federation of Housing Associations, 175 Gray's Inn Road, London, WC1X 9EP. 01-278 6571.

INNER CITY ENTERPRISES:

Not an organisation in itself, ICE arose out of the Financial Institutions Group, the group of institutions created by Mr Michael Heseltine the then Environment Secretary after the Curfew riots in 1981. ICE has been funded by the institutions with a view to packaging inner city projects to make them attractive to pension funds, insurance companies and the like. In its first year of operation, however, its persuasive powers have proved limited and a new strategy has had to be adopted.

URBAN RENEWAL INFORMATION SERVICE:

A new service being set up by the Glasgow-based independent centre, the Planning Exchange. It will collate information on a project basis on schemes taking place around the country with the aim of stimulating further developments.

The Planning Exchange, 186 Bath Street, Glasgow, G2 4HG.

Future lies in subtle mix of old and new

BRITAIN is a small island with a very large physical urban inheritance. Because this is the place where the industrial revolution began, that inheritance is often out of date and unusable in the contemporary world. The changing nature of the industrial base has meant a constant process of redundancy in our major towns and cities.

One of the first contributions to the solution of overcrowding and congestion of the inner cities came from the New Towns. They did follow many of the precepts of the pioneer thinkers, Ebenezer Howard and Frederic Osborn. Towns like Welwyn Garden City and Letchworth and more recently Milton Keynes, which have incorporated low rise housing, gardens, greenery, and work places close to the residential areas to remove the curse of commuting are successful social and urban experiments.

American cities were seen in the 1970s as warning of the evils of ghettos and of the consequences of unrestricted growth. Affluence had encouraged the spread of the suburbs for the economically mobile, leaving regions in the city centres that were areas of high density, social discontent.

In the UK the relatively new profession of urban planners has forestalled crises on the scale of the abandoned ghettos of New York or Chicago. However, physical planning on the large scale has often been unable to solve the social and political problems of run down areas. The movement of inner city populations to new towns often ended the extended family and left behind a disoriented population.

The future for urban renewal today lies in a return to some of the traditions that were rashly overturned and were being found of utilising the best of the existing infrastructure. In London's Docklands, the approach to the latest approaches to urban renewal as carried out by a new-style development agency, The London Docklands Development Corporation is not like the older new towns which had their own powers to build but is an enabling body that tries to attract private enterprise by providing some of the infrastructure.

In architectural terms this has had mixed success. The new-style development agency, The London Docklands Development Corporation, is not like the older new towns which had their own powers to build but is an enabling body that tries to attract private enterprise by providing some of the infrastructure. In architectural terms this has had mixed success. The new-style development agency, The London Docklands Development Corporation, is not like the older new towns which had their own powers to build but is an enabling body that tries to attract private enterprise by providing some of the infrastructure.

but there are some developments that utilise the dockland tradition.

London's Docklands buildings were grand brick warehouses and the same stock brick is being used in some of the housing schemes. The architect Jeremy Dixon's housing scheme for Dudgeon's Wharf on the Isle of Dogs (for Cossin) shows how traditional brick and an almost Georgian street pattern is appropriate for the inner city.

Another design for dockland by the architect Richard MacCormac for the basin at Shadwell also utilises the warehouse aesthetic and successfully uses tall buildings right up to the water's edge. The least satisfactory part of dockland's renewal is the scale of much of the commercial development. One scheme, Heron Quay (Tarmac Brookside Properties) by the architect Nicholas Lacey has achieved a real sense of the Thames with balconies and riverside walkways, but many of the others are the kind

of the Weller Street Co-op and the Eldonian Community Association are establishing cases of appropriate housing designed by architects of their own choice. The Eldonians are very ambitious and have taken on the site of the old Tate and Lyle factories alongside a canal, an archetypal old industrial area.

The community association plans housing, light industry and social facilities—all designed by their own architects, and with the conviction that they want to recreate the kind of small scale urban village that so much authoritarian planning has destroyed.

Much of the old infrastructure of Liverpool has gone but the Merseyside Development Corporation is tackling the rescue of the grand Albert Dock with vigour. It is planned to be a kind of Covent Garden shops and flats and an extension of the Tate Gallery—the Tate of the North.

Birmingham, Bradford, Bristol and Leeds are all the kinds of cities that have suffered from the kind of renewal approved of by planners in the 1960s. Zoning restrictions, and an almost conspiratorial prevention of innovative ideas, are the consequences of our over-elaborate planning system.

In Berlin it is possible to see how the opposite approach of stitching up the urban fabric can work successfully. Within the existing city grid, Berlin has renewed itself gradually block by block. It is bound to be imperfect in some ways but the approach is less destructive than the kind of gigantism that has pervaded British cities since the war.

In British cities it is the infrastructure of the nineteenth century, canals, railways, warehouses and factories and the debris of the more recent rebuilding since the war that combine to pose enormous problems. To resolve the dilemma a mixed approach is needed—utilising the energy of the local communities within a framework of enlightened planning. The key to success in a respect for the building traditions of the past and a subtle mix of old and new. Nottingham's Lace Market, Manchester's Castlefields, and Covent Garden have shown the way. These schemes show that it is possible to allow the past to assist the future. Respectful renewal not remorseless destruction is what succeeds best for the centres of our cities.

Architecture

COLIN AMERY

of industrial shed that could be erected anywhere.

The advantage of the existence of a body like the London Docklands Development Corporation should be that it can show responses to the local needs and understand community pressures. Alas, the first aim of the corporation is to fill up as much of the empty land as possible according to the whims of the market. This does mean that the bad local authority housing sites cheek by jowl with high tech sheds and luxury riverside housing. In Liverpool, the approach to urban renewal has at least been leavened by the rise of community architecture.

Despite the militant local political situation in Liverpool there are pockets of civilised redevelopment that have arisen out of the new community movement. It is something that will grow because small groups of residents who do not want to be moved to the far flung council estates are holding their ground, and, with the aid of local government money, paid through Housing Corporation, they are building small areas of housing in the parts of the city where they want to live.

The community groups, like

HOW BRISTOL IS BRINGING AN HISTORIC CITY SITE BACK TO LIFE

Problems transformed into assets

SOME YEARS ago, when Bristol City Council was faced with the problem of increasing dereliction at the historic docks near the city centre, it was suggested that they should be filled in and concreted over.

What was once a serious urban renewal problem for Bristol has now been turned into one of its most important assets, not only as a tourist showplace for its ancient maritime heritage but as a commercial centre.

This has not been achieved overnight and there is still a long way to go before the docks' full potential is achieved, but the handling of development since the quays and wharves became effectively redundant in the 1960s has been admirable in many ways.

The council embarked on a policy of using its own limited resources to encourage private investment of many kinds, while at the same time retaining enough control to ensure that the best use was made of the area.

While some of the buildings were fine examples of their period, and were suitable for relatively easy conversion, many were sheds and others too derelict for further use. However, the normal planning powers held by the council were sufficient to control the style of development.

The council also owned much of the land and a network of planning officers was devised to develop the waterfront area. These had to be followed if

planning permission was to be granted. Other land is owned by British Rail and Imperial Tobacco, including some old tobacco warehouses.

One of the earliest conversions was an 18th century warehouse for the Armada Arts Centre and overall frontage plans were decided by the council about 12 years ago.

It was recognised then that the expanse of water within the docks could also be turned into an asset, as has been proved. The need to create balanced development, including housing, services and business activity, was also accepted.

An example of the flexibility needed for success was provided recently when three derelict warehouses, on which a preservation order had been placed, were given free of charge to a developer on the understanding that they were used in an acceptable way. "You must have a little to give a lot," a council spokesman said.

The key to the success of the docks development has been shown in money, and sharing a willingness to push ahead, the council has been backed by millions of pounds of private investment.

The successes are too numerous to list, but among the most notable are the Maritime Heritage Centre, an exhibition in converted Victorian warehouses, the Watershed media and communication centre, the

Armada, the Baltic Wharf leisure centre for water sports, the industrial museum and a number of floating and quayside pubs and restaurants.

A number of successful annual events, such as the annual World Wine Fair, the Grand Prix powerboat race, and others have also provided an encouraging flow of visitors.

Perhaps the most important achievement has been in bringing Brunel's steamship Great Britain back to the dock where she was built in 1843. Private funds from philanthropists have been provided for this great undertaking, while both the English Tourist Board and the British Tourist Authority are now contributing funds for attracting tourists to the docks.

Looking ahead

It is estimated that it will take another 10 years before this part of the city is fully developed, since there are still large areas such as Cannon's Marsh which offer great opportunities. It is hoped that in this period, additional housing, shopping premises, hotels and conference facilities can be built.

But tackling new areas such as Cannon's Marsh is not without the familiar problems of urban development, such as the need to generate enough confidence, without heavy public spending, to attract private capital to a still depressed part of the docks.

Some housing developments, such as that at Baltic Wharf, have shown that an alternative environment can be created for residential purposes if densities are not too high and the architecture is suitable.

Baltic Wharf consists of seven courts, each made up of flats and houses and some of them fronting on to the water. The design is aimed at creating a community atmosphere with communal areas of landscaping. A development of a different kind is Metcham's Landing, an historic area of the docks where a pair of ornate brick warehouse facades, in "Bristol Byzantine" style, have been preserved.

The building behind them contains squash courts while the quayside character of the rest of the frontage to Bathurst Basin has been preserved with a terrace of three-story houses linking the warehouse fronts to the restored town houses at the other end.

Most of the site has been devoted to residential use. The only commercial buildings are inter-connecting blocks of offices on the road side of the area, in which great ingenuity has been shown.

There are only a few examples of highly successful development in a part of the city which admittedly had great potential but nonetheless needed foresight, imagination and perseverance to bring it back to life.

LORNE BARLING

RECLAMATION COST
£2 MILLION.SITE VALUE
£1½ MILLION.THE FIGURES
ONLY MAKE SENSE
WHEN YOU ADD
920 9111.

When a site is worth less than the cost of clearing it, the temptation is to do nothing.

The only way to turn these financial catch-22s into viable propositions is to apply for a grant from local or central government.

But unless you're experienced and persistent, and know how the system works, that can prove to be a painful experience—if not an impossibility.

Ring KMG Thomson McLintock's Urban Renewal specialists and you'll find yourself talking to people with extensive expertise in this area.

As well as having first-hand experience in local or central government, every one of us has worked directly with private developers.

Working closely with everyone concerned at every stage of the project, we know the system inside out and can help cut through the red tape.

This unique service works, and we have the successful projects throughout the country to prove it.

Ring Howard Mallinson on 01-920 9111 to start things happening.

KMG-THOMSON McLINTOCK

Which company offers the UK's largest
selection of quality facing bricks?

Urban Renewal 7

A renovation bonus for the specialists

The role of brick
RHYS DAVID

BRICK KEEPS Britain beautiful is the message beaming down from poster sites all over Britain — a cleverly worded slogan which the Brick Development Association, the industry's trade body, hopes will hit a number of targets.

Primarily, it is the industry's response to a severe decline in sales over the past decade as a result of spending cutbacks, particularly in local authority housing programmes. From a peak of 800 bricks produced in 1972, just before the first oil crisis, output has halved, and brickworks up and down the country have been closed as production has been rationalised.

The slogan is also meant to hark back to a similar campaign in the early 1970s under the heading *Brick is Beautiful*, and just as importantly to link brick in firmly with the current movement to restore and renovate Britain's built environment rather than start again from scratch.

Urban renewal has been a boon for the brick industry, and one that it has shown itself determined not to waste. Many of the buildings being restored such as the Albert Dock complex in Liverpool are brick, and have needed large quantities of matching new bricks to replace those that have been damaged by time. Much of the infill development that is taking place in the centre of towns and cities, where a few years ago comprehensive development would have occurred, also involves the use of brick so that buildings capable of fitting in with the existing environment can be created.

Even where major new developments are taking place brick has been gaining an increasing market share as part of the revolt against the drab concrete structures which symbolised much of the comprehensive redevelopment of the 1960s.

Britain's post-war rebuilding. Many of the superstores which have been developed over recent years have used brick, partly in an attempt to create an outside appearance that is not too forbidding and can demonstrate a human scale.

The brickmakers have responded in a number of different ways to the new market situation in which they have found themselves over recent years where orders have had to be fought for against strong competition from each other and from competing materials.

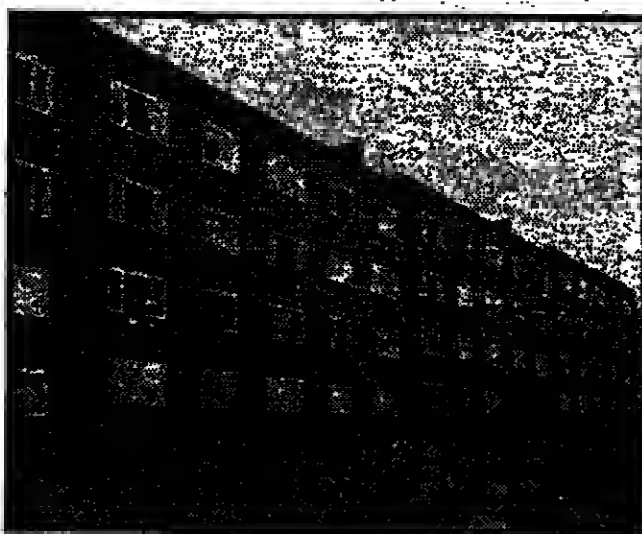
All the major manufacturers have been putting much greater effort into the production of literature directed at architects and other specifiers with strong emphasis on technical properties and design ideas.

Competing materials

Just as importantly, a brick is no longer just a brick for many manufacturers, but comes in a variety of different types. All the big groups go to considerable effort to produce ranges of specials which enable designers to introduce special architectural features, or even terra cotta effects, or to create different coloured patterns to break up large uniform spaces.

In some cases old brickworks have been re-opened and capacity expanded to meet the much more varied demands now coming from the market place. Redland, for example, re-opened its Otterham brickworks near Rainham in Kent in September 1984 to produce a range of high quality yellow stock bricks, of the sort widely used over the ages to build London, both for the refurbishment market, and for new developments that need to blend in with the existing environment. Production at Otterham has since been doubled, as demand from rebuilding schemes in London, and in particular docklands, has grown.

Imstock, with a strong presence in the specialist sector of brickmaking, has supplied purpose made bricks for the redevelopment of the Albert Dock, Britain's largest group of grade one buildings which is now on its way to a new exist-



Regent Park, Salford, one of the first successful council estate refurbishment schemes. Changes introduced by the Barratt Group include a reduction in density from 200 to 170 apartments, landscaping and redesign of the road system and complete internal and external renovation of the buildings themselves. The refurbished apartments, below, have been sold at prices from £13,950. Finance towards the cost of the scheme came from the Government's Derelict Land Grant and urban programme.



ence as a waterfront complex of tourist, housing, office and workshop facilities. The replacement bricks in Imperial size were needed to rebuild areas where rust-swollen iron had damaged the originals. Imstock estimates some 20 per cent of its annual output of 280m bricks is going into repairs.

Another of the big brick companies, Steetley has also produced a special range of bigger Imperial bricks for use on renovation and improvement of older properties. The bricks are designed to provide a blend with existing brickwork and are usually supplied in a smooth red weathered form. Among the local authorities using the

bricks in restoration schemes have been Birmingham and Sheffield.

Steetley says it will manufacture other 'Imperials' to meet customer requirements: it supplied a buff brick for renovation and extension of York's historic railway station, a candidate itself for demolition only a few years ago.

Other brick makers such as Butterley, Armitage, Westbrick and Nottingham, are making similar efforts to cater for designers' requirements and some have also moved heavily into another market that has opened up in urban renewal and new development schemes — brick paving.

Housing Estates RHYS DAVID

ALMOST UNNOTICED, the character and appearance of many of Britain's public sector housing estates has been radically changing over the past year or two.

While disrepair—estimated as a £19m headache nationally—remains the major concern of local authorities, at least some properties have achieved a transformation.

In some places the tops of four-storey maisonettes—one of the less enlightened 1960s answers to housing need—have been simply topped off, and new pitched roofs put on, creating pleasant rows of terraced properties with gardens back and front.

Elsewhere, rows of one- and two-bedroom Victorian houses have been knocked together, re-wired, redecorated, replumbed, re-central-heated, with other environmental improvements taking place in the immediate neighbourhood.

In the best known cases, such as Barratt's Munster Court scheme in Liverpool, or Regent Park Properties' Battersea Village in Wandsworth, balcony access 1930s multi-storey blocks which had degenerated into slums, have been saved from demolition to join the growing list of unwanted council houses stock for which eager buyers have been found.

Behind these developments lie twin pressures. New council housebuilding by local authorities has been deeply cut back as a result of reductions in Government support. Housing spending as a proportion of GDP is now down to 0.9 per cent compared with 2.2 per cent in 1979, and over the same period allocations for public expenditure by local authorities on housing have fallen from £4.4bn to £1.5bn at 1984-85 prices. This reflects the government's wish to cut public expenditure and its belief that local authorities should not be allowed simply to build more houses to replace the mistakes of the past.

The much smaller council building programme has in turn put considerable pressure on builders, big and small, who have traditionally relied on the public purse for a large proportion of their turnover. High land prices and tighter control over the release of previously unused land have also made

life harder. "There are fewer opportunities for new buildings for sale in the private sector and we do not get invitations to tender from the public sector dropping through the letter box," Mr Bill Stevenson, managing director of Bellway Urban Renewals, part of the Newcastle-based Bellway Group, observes.

Squeezed in the middle, very often, is the individual—perhaps a single parent or older person or low income earner—who can no longer get a council property and who cannot afford to buy a home of his or her own at prevailing market prices.

The way out of this dilemma has been through partnership schemes in which local authorities and building groups have better use of neglected assets such as hard-to-let tower blocks or maisonettes or to find ways of undertaking more new-build.

The formulae used have varied from case to case, but, in general, where such schemes have taken place councils have been willing to release blocks for nominal sums to builders, who, sometimes with the aid of Government grants, such as Urban Development Grant or Derelict Land Grant, have re-furnished properties, and made them available to council house list applicants.

Tower blocks

The councils concerned will, generally, have a major say both in the type of accommodation to be provided, based on their understanding of local needs, and in price levels, which will be worked out to allow the developer an agreed level of profit. Managers are generally likely to be more keen than for new build but because the developer is not having to pay large sums for land his return on capital is likely to be significantly better. The builder finds any time required on top of any grants through contacts with financial institutions, relieving local councils of the need to fund refurbishment of their stock.

Funds to assist purchasers have come from the building societies, reassured by the involvement of big builders. Lovell Group, for instance, which will shortly complete its 5,000th partnership property, has worked very closely on many of these with the National Building Society.

"When we started the building societies were looking for a

conduit to channel more resources into urban redevelopment and we were seeking an enabling mechanism. It was a very good match," Mr Norman Wakefield, chairman of Lovell Group, observes.

On completion the properties are either purchased freehold or where this is not practical—for example in blocks with communal areas or where the schemes are designed for special groups such as the elderly—various types of trust have been used or housing association management has been called on.

When set against the grim statistics of council house decay—one third of a million properties hard to let, a million hard to manage, 100,000 vacant, a quarter for more than a year—the impact has been limited. It has, nevertheless, brought tangible benefits which have proved sufficient to sustain growing enthusiasm by builders and councils.

Perhaps most importantly, the availability of property for purchase, from as little as £10,000-£15,000 in some cases, has put low income earners on the first rung of the property ladder.

In the provinces, an unskilled worker can in some cases be earning £4,500 and can only obtain a small building society mortgage," observes Mr David Goldstone of Regalian in Wales, the Midlands, London and elsewhere.

Councils have benefited from the capital inflow from sales to builders and from rates income from properties previously unoccupied, and communities have gained from the new mix of tenure. Builders are pleased that councils in many cases now see them in a different light and believe they have also learnt from the exercise themselves. Co-operation has come from right across the political spectrum with Labour—though generally not the hardest left authorities—as well as Conservative councils setting up deals.

To match the new relationship they have developed with local authorities, the big operators in this field have set up special subsidiaries equipped with experts in financing as well as in building. "A new approach has been needed which is not that of either the traditional house builder or the contractor," Norman Wakefield observes.

Bowing to the fashion for attorneys Lovell itself has set

up a team called Probe (Partnership Redevelopment of the Built Environment) which will carry forward its efforts in this field and eventually it is hoped involve other organisations with an interest in inner urban area redevelopment.

Not surprisingly, the Government regards partnership schemes as a considerable success and it is trying through the Urban Housing Renewal Unit set up earlier this year to persuade many more councils to examine, with builders, ways in which private capital can be brought into the public housing stock. UHRU plans to have talked to all authorities it intends to cover by the end of the current financial year.

Complex deals

The role of the unit will be to draw councils' attention to the best examples of what is being done around the country and to provide information on the sources of public and private funds which might be available to support schemes. As the most readily identifiable schemes are completed UHRU will also try to facilitate more complex deals where developers may be taking over parts of an area, with the local authority carrying out its own schemes in other parts.

Doubts inevitably exist over the potential loss to privatisation of some of the better parts of the council housing stock. Private builders are willing, for example, to take over brick-built 1930s blocks but have not shown comparable interest in system-built. In the drive to make everyone an owner-occupier there is also the danger that the needs of those who do not or cannot buy will be overlooked.

Conflict of interest could also intensify as councils and builders move away from already vacated blocks to areas where there are tenants who wish to remain. Alleviate to this the Government is thinking of incorporating in a suitable piece of housing legislation new powers to enable councils to move tenants from blocks it wants to sell. In such cases the tenants would have to be given suitable alternative accommodation and home loss payment.

The schemes undertaken to date have, nevertheless, made a small break in the spiral of decline which has long affected Britain's public sector housing. Low cost housing is being provided, too, more efficiently and economically than has hitherto been the case.

BRICK

KEEPS BRITAIN

BEAUTIFUL.

Brick is buildable. Brick is durable. Brick adds quality to British life.

Accrington Brick & Tile Co. Ltd.
North Wales, Accrington
Lancs BR 5DR Accrington 32684

George Arncliffe & Sons plc
Robn Hood, Wakefield
West Yorkshire WF3 3BP
Leeds 822141 London 01-831 9587
Glasgow 041-333 0985

The Beacon Hill Brick Co. Ltd.
Corfe Mullen, Wimborne, Dorset
Bournemouth 697633

Blapham Hall Brick
& Terra Cotta Co. Ltd.
Orrell, nr Wigan, Lancs
Ormskirk 622242

Blockleys plc
Hadley, Telford, Salop TF1 4RY
Telford 51611 London 01-637 3166/7

Blue Circle Bricks
Blue Circle Industries plc
Stoughton Works, Stoughton, Leics
Nott ME10 3TN Stoughton 21066

Bovingdon Bricks & Tiles Ltd.
Luton, Beds, Bovingdon
nr Hemel Hempstead
Hertfordshire HP3 0NW
Hemel Hempstead 833176

The Bulmer Brick & Tile Co. Ltd.
Brickfields, Bulmer, Sudbury, Suffolk
078 729232

Butterley Building Materials Ltd.
Wellington Street, Ripley
Derby DE5 3DZ
Tel: (0773) 43661 Telex 37119

Colchester 218901
North - Elmd 73411
North Wales - Mold 541554/6
Central - Carmock 72821
Midlands - Ripley 44021

South West - Newport 56631
South East - Southend-on-Sea 541414/8
London 01-240 2267
Belfast - Belfast 232223

Butterley Building Materials Ltd.
Wellington Street, Ripley
Derby DE5 3DZ
Tel: (0773) 43661 Telex 37119

Carlisle Brick & Tile Co. Ltd.
Luton, Beds, Carlisle
nr Hemel Hempstead
Hertfordshire HP3 0NW
Hemel Hempstead 833176

W.H. Collier Limited
Mavis Tey, nr Colchester, Essex
Colchester 218901

Emmyn Brick Co. Ltd.
51/52 Wind Street, Swansea
SA1 1HA Crossroads 842247

Essex Sandbricks Limited
Forge Fields, Wheelock, Sandbach
Cheshire CW11 0QW Sandbach 2523

Frankfield Lane Bricks & Tiles Ltd.
Danehill, Haywards Heath, Sussex
RH17 7HH Danehill 790350

Hatherware Ceramics Ltd.
Hatherstone Works,
Loughborough, Leics LE12 5EY
Loughborough 842273

London - 01-402 1227
North - 01-426 0655
St. Helens
Marshall's Cross (0744) 514201
Wakefield (01924) 582285
West Midlands -
Aldridge (0922) 52211
- Kingswinford - (0384) 295101
- 01-455 8080
East Midlands -
Ilkeston (0530) 50531
Cambridge - (0223) 316999
South West - Almondsbury
(0454) 514573
South East - Southampton
(02342) 510578
Severnside - (07332) 459669

London Brick Company Limited
Stewards, Bedford MK43 9LZ
Bedford 581851
District Sales Offices:
Eastern Counties - 0733 313900
South East - 01-445 6711
Midlands & North - 021-235 4141
South Western - 0272 273004

Lancashire Bricks Limited
Widnes, Cheshire
Houghton-le-Spring, Co. Durham
Durham 852361

Mafby Brick Co. Ltd.
Mafby, nr Rothwell, Yorks.
Rothwell 812411

Thomas Moss & Sons Ltd.
Moss Side Lane, Rotherham
Warrington W3 6HH 061-775 3412/3

Normanton Brick Co. Ltd.
Welford Road, Brigg, Yorks.
Normanton, West Yorkshire
WF6 1BG (01924) 892142

Northcott Works Limited
Blockley, nr Norton-in-Marsh,
Gloucestershire GL5 9LH
0985 700551

Nottingham Brick plc
Corbet Head,
Aixford, Nottingham NG5 8PW
Nottingham 263331

Redland Bricks Limited
Sewern Road, Avonmouth, Bristol
BS11 0YJ Avonmouth 822611
0272 820091

AREA OFFICES
Southern - Southampton 38252
South Eastern - Reigate 49341
London - 01-379 7142
Midlands -
Birmingham - 021-499 7879
North - Leeds (0532) 438 265

Rudgwick Bricks & Tiles Ltd.
Lynwick Street, Rudgwick,
Sussex RH12 3DH Rudgwick 2212

Salvesen Brick
Adwood Road, Cheshire Hulse,
Cheshire S18 5QY
061-485 8211

Severn Valley Brick Co. Ltd.
Severn Road, Avonmouth, Bristol
BS11 0YJ Avonmouth 822611
0272 820091

Sheffield Brick Limited
PO Box No. 3, Brampton Hill,
Newcastle, Staffs ST5 0QU
(0782) 615381
Huncoat Works, Accrington
(0254) 39207
North Staffordshire Works
(0782) 615381
Severnside Works, Shalfleet
(0695) 625511
Throckley Works,
Newcastle-upon-Tyne
(0632) 643711
Tobols Works, Bishop Auckland
(0385) 604071

Westbrick Limited
Pinhoe, Exeter EX4 8JT
Exeter 65561
South Western Works:
Pinhoe, Rugeley, Steer Point,
Northern Works:
Coatham, Eldon, Kibblesworth,
North East Sales Office:
Durham Lane, Eaglescliffe,
Stockton-on-Tees, Cleveland
TS16 0PS
Stockton-on-Tees 784576

Yorkshire Brick Company
Worswell Lane, Staithfoot
Barnsley, Yorkshire
Barnsley (0226) 283114/5/6

The Brick Development Association
For further information about brick contact Bob Lloyd-Jones at the Brick Development Association
or any of the companies listed above.

Brick Development Association, Woodlands House, Wakefield, Yorkshire WF1 4JX. Telephone: (01924) 685551

Brick Development Association, Woodlands House, Wakefield, Yorkshire WF1 4JX. Telephone: (01924) 685551

Brick Development Association, Woodlands House, Wakefield, Yorkshire WF1 4JX. Telephone: (01924) 685551

Urban Renewal 8

More initiatives under way

Corporate assistance
TIM DICKSON

CORPORATE philanthropy has a long, if patchy, tradition in Britain, a good early example perhaps being the "model" village in Bourneville, built in the last century for his employees by George Cadbury of the Birmingham-based chocolate firm.

Companies, however, have arguably never been so outwardly preoccupied by social affairs as in the last five years.

The riots in Toxteth, Brixton and elsewhere in the UK in the middle of 1981 are widely seen as an important turning point, arousing as they did the deep concern of a significant number of chairmen and chief executives of major British companies.

Accompanied by rising unemployment (particularly youth unemployment), this inner city unrest has influenced the development of a new code of social responsibility which would have been unfamiliar to businessmen in this country as recently as 10 years ago.

Such a philosophy, by no means coherent, comprises a curious mixture of genuine social concern, public relations hype, long term self-interest and an independent notion of the "good employer." There is more than a hint in many initiatives of old-style Victorian paternalism or noblesse oblige—but equally there is often a hard-headedness which would have been out of place in Britain until relatively recently.

Whatever the motivations, there have been a wide range of projects in the last few years sponsored by the private sector (often in conjunction with central government and local authorities)

which can broadly be classed as charitable or non-commercial (at least at the outset).

● Legal and General Assurance, for example, is among financial backers of Project North East, a voluntary group which aims to promote the idea of and assist those interested in self-employment on Tyneside.

● BAT Industries in Liverpool and Brixton and other companies through the London Enterprise Agency (LEA) in London, are among those to have financed the conversion of old, redundant buildings into workshop accommodation for the growing number of small businesses.

● Several major companies, including Citibank, BP and Marks and Spencer, have supported a non-profit making company which is investing in and refurbishing neglected residential property in Brixton.

● The four major high street banks, Marks and Spencer, British Telecom and several leading accountancy firms are among those to have sponsored local enterprise agencies.

A total of 201 companies now sponsor more than one agency—an increase of 42 per cent on the figure just over a year ago, while the number of companies sponsoring just one agency has risen from 1,477 to 2,242 according to the Organisation for Business in the Community.

As even these examples demonstrate, the focus of big company philanthropy is by no means confined to the run down areas of the inner cities. Businesses target their philanthropy in a wide variety of different ways including the education system, national charities, local community groups, youth training by going, for example, beyond the confines of the Government's Youth Training Scheme, and small businesses (via enterprise agencies). Many concentrate available resources on areas

where their offices and factories are located; some operate their own programmes; others contribute to "voluntary groups" on the ground, or other intermediaries.

Philip Rock, assistant general manager of community affairs at BP, is not untypical of big company representatives when he says that "no large employer can afford to ignore the communities in which it operates. We feel that the more stable and prosperous local communities are, the better it is for ourselves and for industry generally. There is a large element of self interest in promoting a programme of secondment to job creating activities."

Motivation

Companies like Marks and Spencer, meanwhile, take as their motivation the idea that "prosperous back streets mean prosperous high streets." This is a sentiment with which claim-conscious insurance companies and customer-seeking banks would readily agree.

Businesses such as United Biscuits in Liverpool have felt obliged to put something back into communities where they have closed plants. Some see more than a streak of political expediency, as well. Others, like Hamble Life, believe community involvement is good for staff morale and feel an obligation to the wider environment in which they do business.

Despite the concern displayed in annual reports and the many conferences and seminars on the subject aimed at encouraging the private sector to show greater social responsibility, it would be wrong to suggest that UK companies are necessarily doing their bit. At an estimated 0.1 per cent of the corporate sector's pre-tax profits, the scale of private sector activity is still minuscule, unevenly spread, and dwarfed by the effort of some companies in

North America (where donations of 3 per cent to 5 per cent of pre-tax profits are not uncommon).

Although Urban Development Grants have been a relatively successful incentive for inner city development, Inner City Enterprises (ICE), another "child" of the 1981 riots, has had a disappointing start.

Created in response to the Financial Institutions Group set up by the then Environment Secretary Mr Michael Heseltine, the idea was to establish development opportunities in run-down areas and to help secure local regeneration by arranging funding among ICE's 49 institutional shareholders.

In practice, however, institutions remain reluctant to make individual investments in questionable locations.

ICE now intends to act as a principal rather than as an agent, and is trying to raise £3m so that it can "deal in property, undertake development and hold investments in its own right."

There remains, meanwhile, disagreement and confusion as to the best way to match companies' "charitable" resources with inner cities' needs. Many of these active in the field believe that there is a lack of co-ordination with the result that effort is duplicated or wasted.

A very low-key and unpublicised conference held at Buckingham Palace earlier this year under the chairmanship of the Duke of Edinburgh considered the idea of setting up a series of "community trusts" into which companies would be able to covenant their donations.

On the principle that every cloud has a silver lining, many will be hoping that the recent disturbances in the Handsworth district of Birmingham and Brixton will (like Toxteth four years ago) better concentrate corporate minds.

Demand grows for low-cost housing

A SENSE of frustration hangs over Britain's housing association movement—responsible at the last count for housing 1m people in Britain, and for carrying out many of the more imaginative new building and conversion schemes in inner urban areas.

The problem the movement seeks principally to address—the provision of decent low-cost rented housing—is growing rather than diminishing. In the first place, as commercial landlords sell up, the stock of private rented accommodation is shrinking. An estimated 100,000 units are disappearing each year, leaving the private rented sector with less than 10 per cent of the housing market compared with more than 80 per cent at the turn of the century. Public sector housing, too, has experienced a sharp decline as a result of spending cuts, and waiting lists, particularly in the South East, have grown. More people than ever in recent years are homeless, and far too many are living in costly bed and breakfast accommodation.

In these circumstances, it is to the housing association movement that many of the weaker elements in society, including low income groups, the handicapped and the elderly have traditionally turned. Equally important is the role housing associations can play in ensuring labour mobility. The unemployed are only able to move from parts of the country where jobs do not exist, to those where they do, if housing at reasonable cost is available, a point made in the Duke of Edinburgh report on housing conditions.

Housing associations
RHYS DAVID

Yet, although the housing association movement is geared up to meet part of the gap in low-cost housing for rental, (and for sale) it is working at present, well below capacity. While completions have been holding up at around 30,000 homes for rent a year, our considered already in the pipeline. Approvals are now running at half the 40,000 figure being achieved in the late 1970s.

"I would be shirking in my responsibility... if I failed to point out the serious view that housing for those in the most dire need... is now seriously under-funded," Sir Hugh Cubitt chairman of the Housing Corporation, the Government-backed body which funds housing associations, said in his annual report earlier this year.

Housing associations, as Nick Hughes, development officer of the movement's National Federation points out, have suffered from three interlocking problems. The Housing Corporation's budget of £288.5m in 1984—has been declining in real terms over recent years; the imposition of value added tax on building repairs reduces available expenditure by £30m last year; and local authorities have passed on some of the limits imposed on them in the form of reduced support. At 1982 prices local authority lending to housing associations is down from £400m in 1977-78 to £100m in 1984.

Faced with a reduction of 60 per cent in the value in real terms of taxpayers' money since 1976, associations have had to branch out in a number of new directions, and in particular to seek out new sources of finance. In the most important development to date, the Nationwide Building Society has put up a total of £30m in index linked mortgage finance to help low cost home ownership schemes. This "open-door" scheme, devised jointly with the Housing Corporation, has enabled public funds to be diverted into meeting VAT expenditure and maintaining the programme of homes for rent.

The Housing Corporation believes the management record of the associations and the value of their assets will enable them to attract further private sector funds. It is argued strongly, however, that such funds should serve to increase housing investment and should not be taxed away by a corresponding reduction in public funds.



A total of 46 new homes, built on derelict land at North Kensington in a partnership between Barratt and the Addison Housing Association, Britain's housing association movement now consists of some 2,000 societies providing low-cost accommodation on a non-profit making basis for rent or for sale. Special attention is given to the needs of low-income groups including the elderly and single parents

Legislation changes will release fresh funds

WITH THE cutbacks in public expenditure and the introduction of VAT on home improvement work, the role of the private sector and particularly building societies in urban renewal is now crucial.

The Government is known to be particularly keen to encourage building societies to direct more private funding towards home improvement and to play as wide a role as possible in its various housing initiatives. However, the building societies' participation is limited by present legislation, which allows them to own only the land on which their own premises are located. New legislation, which is expected to come into force in 1987, will change all that. It will allow building societies to acquire and hold land for housing development, not directly as landlords of residential property and to own the rented element of shared-ownership schemes.

Many of the larger societies are known to be keen to make use of these powers, probably in partnership with housing associations and private builders. Societies would have access to cheaper finance than is normally available to house builders and would be able to maximise profits. Local authorities may also be more likely to release land to societies than to private developers, whilst societies might be more prepared to accept local authority constraints.

A major initiative has been co-operation with house builders, local authorities or housing associations in building low cost housing for sale in inner city areas with building societies providing the finance on attractive terms. To date societies have been directly responsible for building around 2,500 units and saved a similar amount from dereliction by financing rehabilitation and home improvements.

They are becoming an important source of finance for housing associations which are suffering from cutbacks in public sector finance, limiting the funds available to them from the Housing Corporation.

In the future societies expect to play a more important role in the provision of rented accommodation which they are already doing through their links with housing associations. The Halifax and Nationwide have sponsored the first single development offering a variety of tenures—sale, shared ownership and fair rent at Elm Village in London's Camden.

Some societies have done so by setting up separate organisations. Abbey National was the first to do so, forming its Housing Association in 1980, the year of the new Housing Act, when it became a first building society, albeit indirectly, to regain the role which building societies had over 100 years ago as house builders. It was followed shortly after by the Nationwide which established its Housing Trust and which has now invested over £36m in various developments throughout the country.

Some societies, such as the Woolwich, Leicester, Bristol and West Midlands, and most recently, the Anglia, have adopted the same route, setting up separate non-profit making units for which the society provides the funds and contributes to the management. But by law there can be no direct connection between the society and its related housing organisation.

Their activities have been stepped up since the Toxteth and Brixton riots of 1981. This summer's riots in the Handsworth area of Birmingham will inevitably give new impetus to such projects. These housing associations or trusts are primarily involved in new housing building, providing low cost housing for sale and for rent.

Other societies, such as Britain's largest—the Halifax—have opted for the alternative route of simply providing finance for new housing projects undertaken by other institutions.

Building societies also participate directly in urban renewal

Building societies
MARGARET HUGHES

by providing special lending allocations for the various government-sponsored home improvement and house purchase schemes such as the Housing Action Plan, the Local Authority Support Scheme and "Right to Buy," "Self-Build" and "Stay Put" schemes. The Halifax, for instance, last year contributed some £320m for special housing schemes and this year has allocated £280m, whilst the Abbey National has allocated £230m this year.

In Housing Action designated areas, building societies provide the top up funds over and above the grants extended by the local authority for home improvements. The building societies' contribution to this scheme has had to be stepped since the reduction in grants from 90 per cent to 75 per cent of improvement costs. Building societies have also taken over the previous funding role of local Councils in the Local Authority Support scheme, allocating funds for the first time to buyers in need who qualify under the scheme, so that they are assured of a mortgage. Since 1975, for instance, the Halifax has provided almost £700m in lending for this scheme.

Special allocations are also made to the "Stay Put" schemes operated by housing associations or local authorities aimed at enabling the elderly to adapt, repair and improve their homes to encourage them to stay in their existing homes which are often in decaying inner city areas. Under these schemes building societies will offer special low cost, interest-only mortgages. The capital is not repaid until either the property is sold or the owner dies.

The larger societies will also allocate funds for "Home-keeping" schemes where the local authority sells empty dilapidated houses or flats from its housing stock for improvement by the purchaser. The building society then designates mortgages, usually for first time buyers, on these selected properties, and for "Enveloping" with the building society financing the internal improvements

carried out by the occupier of properties and the local authority undertaking the external renovation work.

Societies also contribute to urban renewal through participation in shared ownership schemes providing the mortgage finance for that part of the property which the occupier purchases. But here again existing legislation prevents them from being landlords on the rented portion.

Under a scheme which was introduced experimentally by Nationwide with the Sutton (Hastings) Housing Association, that association pays only that part of the interest due to Nationwide which can be covered by the rental it receives from the owner occupier. The rest is rolled over on the assumption that as the rental rises in future years it will be sufficient to pay off both the rolled up interest and the capital on the mortgage.

Another Nationwide innovation has been index-linked mortgages which reduce the front end cost of a mortgage. The interest charged is lower than on conventional mortgages and stays the same throughout the term of the loan. But the monthly repayments rise each year in line with the retail prices index. As a result the monthly repayments are lower than on the early years.

The first scheme to be financed this way was the conversion of a warehouse in Ipswich into a block of flats for letting on a fair rent basis. The Orbit Housing Association, which built the flats, has since received a second index linked mortgage to fund the retained rental share on a shared ownership project for first time buyers.

Since then Nationwide has extended £15m in index linked mortgages in conjunction with another £15m in conventional mortgages to finance "Open Door" shared ownership schemes and other special housing projects. It has allocated another £2m for other index linked pilot schemes.

The Nationwide has also lent under linked funds to private builders, Waters and Iddles, for on-lending to individual buyers on specific projects. But the use of index linked mortgages, which will be restricted by the new legislation, is limited by the unavailability of similarly index linked financing. However, societies such as the Nationwide and the Halifax, which is keen to offer index-linked mortgages but will only do so when it has matching funding, are well on the way to launching financial instruments which will be comparable to index-linked gifts.

Though under new legislation building societies will be able to play a much greater and more direct role in urban renewal it will not happen overnight. As those societies with experience of house building are aware, this is a high risk area requiring specific skills which most societies do not possess. The financial penalties are high in building low cost housing in no-go areas to meet the needs of the "social" end of the market. Arrears are inevitably higher, and the pioneers in the field as the two pioneers in the field—Abbey National and Nationwide—have found, experiencing losses on some of their developments and barely covering costs on others.

HIGH rise. High tech. The watchwords of the '50s, '60s and '70s. And what we got by and large were concrete towers and tarmac.

Both proving to have serious built in problems.

Thankfully, things are changing. Right from ground level. Just look around practically any town or city. New developments are giving us imaginative precincts, inviting footpaths, sensitive conservation areas.

And what helped to pave the way for these changes? In two words, clay paviors. Attractive. Amazingly versatile. And a huge proportion of them supplied by Blockleys.

It isn't just a question of changing styles either. More and more decision makers are discovering that Blockleys clay paviors aren't only easy on the eye. They make investment costs look pretty good too.

Close butted and bedded flexibly on sand, chamfered paviors for example are simple to lay and use far less time, manpower, and expensive equipment.

Repairs? Blockleys clay paviors can be 'unzipped', lifted and relaid quite invisibly and at minimum cost. Skid, frost and stain resistant too, they're streets ahead in every way.

And endlessly versatile. Especially when combined with Blockleys complete range of facing bricks. Another area where the Blockleys record is one of constant innovation.

There's the recently launched Heritage Brick Collection of hand-made style facing bricks for instance. And Ironbridge Brick—a remarkable range with an authentic reclaimed appearance. Both combine their traditional looks with the outstanding durability which singles out all Blockleys clay products.

When you get right down to it, few companies are doing more than Blockleys to help us all build a better Britain.

While everyone was looking up, we were changing things at ground level.



Blockleys Public Limited Company, Hadley, Telford, Shropshire TF1 4RY.
Telephone 0952 5161. Telex 35285. London Office and Showroom: The Building Centre, 26 Soar Street WC1E 7BT. Telephone 01-637 3165/7.

Butterley Naturally!

A Hanson Trust Company

Butterley Building Materials is the UK's largest manufacturer and leading exporter of quality facing bricks.

With almost one hundred and thirty handmades, stocks, wirecut rustics, wirecut sandfaced, wirecut smooth, wirecut re-pressed and simulated handmades, the Butterley range is unrivalled for colour and texture. In addition, Butterley produce an extensive range of complementary specialist products including clay paviors, decorative real brick slips, handmade briquette fireplace kits, engineering bricks and refractory products. Special shapes to BS 4729 and purpose-made shapes are also available to meet specific requirements.

Butterley Building Materials Ltd, Wellington St, Ripley, Derby DE5 3DZ. Tel: (0773) 43661. Telex: 37119.

Urban Renewal 9

Renewed unrest in inner city areas has focused fresh attention on urban decay and dereliction

Search for solutions starts again

The Political Issues

ROBIN PAULEY

THE RECENT violent and destructive riots in the Handsworth district of Birmingham and in Bristol in London have once again focused national and international attention on Britain's inner cities.

Whatever the immediate cause of the September riots remains the same districts as were affected in the hot and violent summer of 1981. Nobody was surprised it happened; nor would they have been if it had occurred in any one of a dozen other British inner cities.

The latest troubles have become immediately a major political issue, commanding the attention of the Prime Minister, Home Secretary, Opposition spokesmen and Parliament. At other times inner city problems have tended to have a low political priority in Britain—especially compared with the U.S. where the problems are both longer standing and deeper seated.

Although much of the political impetus has gone out of urban renewal since 1961, there have been some new initiatives. Britain has copied the U.S. system of Urban Development Grants which link private sector cash to public sector projects. In March 1983, Inner City Enterprise was established by 32 leading UK financial institutions to help City institutions identify investments in potentially commercially viable property developments in depressed urban areas.

In spite of a lack of enthusiasm for inner city problems by both the Chancellor and the last Environment Secretary, Patrick Jenkin, the Government launched a new initiative earlier this year when it created the City Action Teams to try to ensure that the Government's urban programme

cash was spent more effectively.

After the 1981 riots Mr Heseltine, then Environment Secretary, infuriated his colleagues by beginning a now famous paper to Cabinet with the words: "It took a riot to make the Government take inner city problems seriously..." In 1982, when he was again alone in worrying about the issue, he warned: "These problems are long term. They were born decades ago. There is no single cause of inner city decay and there can be no masterplan to provide a single solution. To think even of a planned solution is to ignore the kaleidoscope of change that adds up to city life."

"To reverse the weight of history tide can only be done within a medium to long time scale. To offer simple or short-term solutions is to deceive the people. But if we do not develop an awareness of the problems, or achieve a massive sense of purpose in combatting them, we will not only have inner city decline, but we will see that decline spread."

Greenfield sites

The point at which economic and political considerations meet is unemployment which is at its worst in the inner city core areas where traditional manufacturing industries have expired and many other companies have moved out to more spacious surroundings in the suburbs, greenfield sites or new towns.

So while the national average unemployment rate remains stuck above 13 per cent, all the assisted areas in the regions have current rates far above that—18.5 per cent in the south west, 20.9 per cent in the east midlands, 19.8 per cent in Yorkshire and Humberside and the north, 20.9 per cent in the north, 18.4 per cent in Wales and 19 per cent in Scotland.

Only the south east at 9.9 per cent and the London travel-to-work area at 10.7 per cent are below average—and even within this area there are pockets of exceptionally high unemployment such as Hackney,



Mr Michael Heseltine (left). As Environment Secretary he warned that inner city decline would spread and called for long-term solutions to be devised. Sir Hugh Rosell, MP (right), favours extension of the development corporation idea to other major urban areas where progress in dealing with dereliction has been slow. He also wants more flexible use of the two main grant mechanisms, urban development grant and derelict land grant.

Lambeth and Southwark, each with more than 20,000 unemployed and more than one-third of their youth out of work, rising to more than three quarters in some ethnic minority areas.

The extension of traditional industries has left its mark, too, in smaller towns and cities—the colliery, iron and steel closures in south and north Wales and the Potteries, the pit closures in Northumberland, steel closures in Coventry, Corby and Souththorpe, textile closures in Lancashire and Yorkshire, severe contraction of the fishing industry in Hull, Grimsby and Fleetwood have all been the start of severe urban decline.

The ADC summed up the socio-economic problem thus: "In urban areas, particularly the inner areas, there is often a serious mismatch of skills to the needs of industry. The unskilled, and semi-skilled workers tend to remain behind as industry and skilled jobs move from the inner area."

"The unskilled worker is especially vulnerable because he is more likely to lose his job than the skilled worker, and finds it less easy to obtain work suitable to his capabilities."

"With the exodus of skilled workers, the inner urban areas are increasingly less attractive to new industry which requires a high proportion of skilled labour. The only way to attract skilled trades and professions back to the inner areas is by better housing, an improved environment, and adequate social and leisure facilities."

These are the problems facing both central and local government. The Labour Party has tended to consolidate its political hold on inner urban areas through its high rating, high spending policies which have generated substantial amounts of cash to the housing problem.

But the issues are of major concern to all political parties, particularly the Conservatives as they hold power in Westminster. One reason is that membership and all the related economic factors have now become the leading political issue in Britain. But another is that as the drift out of the inner cities continues, pressure will grow from new businesses for permission to develop ever more of the out-of-town and rural land, a very significant and sensitive issue with traditional Tory voters.

And most importantly, the physical and economic degeneration of urban areas can lead to similar social collapse leading ultimately to crime, squalor and riots, the scars of which are much harder to heal than if early remedial action is taken.

Derelict land

RHYTH DAVID

EAST FOOTWORK just to stand still has been a necessity in dealing with the legacy of derelict land in Britain over the past 15 years.

The problem, which only began to be tackled with any degree of seriousness after the 1986 Aberfan disaster has had an increasing amount of money poured into it over recent years—Government funds allocated in England alone were up to £74m in 1984-85 compared with £12m in 1974-75.

The number of bodies involved has grown, too, with small locally-based initiatives such as the Government-backed Groundwork Trust and ecological groups, such as Landlife, joining larger projects mounted by the Department of Environment in England and the Scottish and Welsh Development Agencies.

Yet, although 42,000 acres of dereliction were cleared in England between 1974 and 1983, the net total still to be cleared has grown by 6,000 acres to 113,000 acres over the same period.

The main reason for this depressing apparent lack of progress is the changing nature of the problem. At the start of the 1970s the dereliction requiring treatment had been generated very largely by the extractive industries, and in particular coal.

Since then, with the dramatic restructuring that has taken place in British industry, it has been old textile and steel mills, chemical and engineering works, and car plants, as well as many smaller scale enterprises which have been adding their contribution. The problem has been worsened, too, because many of these factories, unlike collieries have been in or near the centres of British towns and cities.

The dilemma, too, is that, unless these eyesores are cleared away, the chances of attracting new industry to older areas where people and services are already located, will remain blighted and the pressure on previously undeveloped land will become greater.

In a report prepared for it

by environmental writer, Tony Aldous, the Federation of Civil Engineering Contractors (FCEC) highlighted what it sees as some of the problems. It criticises the sharp fluctuations in finance available to local authorities from year to year and the priority given by the DoE in the allocation of Derelict Land Grant to joint schemes involving private developers, an issue the department has now agreed to look at it.

In many cases the potential developer is only interested in land when it has been reclaimed, so that a damaging stalemate can often be created.

The report also points to the need for a suitable scale of operation, claiming this is achieved by the two regional agencies, in Wales and Scotland, by the Greater London Council, the docklands development corporations, and the metropolitan authorities, but with difficulty by smaller local government units.

Following abolition of the metropolitan counties next year, it advocates the creation of regional agencies on Welsh and Scottish lines to work with district councils on environmental repair.

Such a move would go a long way to remove a major fear in the metropolitan areas where it is thought the break-up of specialist teams could prevent big long haul schemes being undertaken.

Land registers

The FCEC also recommends that local authorities should be given the power and resources to forestall dereliction before the process has gone too far, and the provision of more finely-tuned incentives to encourage both public and private sector owners of derelict land and buildings to reclaim or sell property.

For its part the Government can point to the increasing sums of money available for derelict land clearance. It has, too, tried to ensure that on the supply side there is constant pressure on public bodies such as the nationalised industries to dispose of their surplus stocks.

Much of this land is not strictly speaking derelict but waiting for new uses: its mere existence often in the centre of towns and cities can help drag an area down, however, by creating an impression of waste-land.

Land registers compiling lists of all such land have now been drawn up by local authorities and are available for inspection by interested parties which might want to undertake development. The Environment Secretary has used his powers to direct the disposal of land on four occasions (with a further 50 orders in the pipeline) and a total of 8,000 hectares out of 46,000 hectares on the lists has now been removed.

"The basic test ought to be not whether marginal amounts of money can be saved but what degree of support is needed to make an otherwise unrewarding exercise profitable."

At the same time, the study does highlight some places where local authorities have managed to get things right and to secure substantial changes in the local environment. Stoke is praised for pioneering work before government grants were available to remove coal, steel and pottery generated dereliction, a process which will be given a further significant boost by the 1986 garden festival in the city.

Swansea, a candidate for a festival in 1988, has restored large parts of the valley running down into the city which was once the main non-ferrous metal producing area in the large area of redundant dock-world, and has also established a thriving maritime quarter in land.

In a further initiative aimed at seeking out new more imaginative and effective ways of achieving its objectives in this field, the Government has also commissioned a report from one of the pioneers in the field of restoring areas of urban blight. Professor Anthony Bradshaw of the University of Liverpool's botany department.

The DoE has in fact already shown its willingness to think along less conventional lines by increasing the level of support it is now making available to Operation Groundwork, a Countryside Commission initiative started in St Helens and Knowsley on Merseyside in 1980.

Groundwork uses volunteers organised locally under separate trusts to undertake small scale environmental schemes such as removal of litter, conversion of disused railway lines and clearance of canals. The idea has

been taken up by successive Environment Secretaries and is now being extended outside the north west to cities and towns in other regions.

The fact that so many new initiatives have emerged over recent years and that so many organisations have come to recognise that dereliction stands in the way of economic recovery is perhaps the most encouraging sign. A massive effort is clearly needed, however, if any real impact on the problem is to be made.

● Much of the time and money spent on conventional approaches to restoring derelict areas could be wasted unless the lessons of a considerable body of research now available are learnt, a group operating at the ecological edge of land reclamation is warning.

Low cost techniques

The Liverpool-based Landlife (formerly the Rural Preservation Association and one of the progenitors of Groundwork), has invented the horror term "green dereliction" to describe the conditions which are ill-considered "greenwash" of environmental projects might produce.

Many of the schemes now being undertaken in Merseyside and elsewhere to landscape formerly derelict areas themselves require considerable maintenance. Landlife's director, Grant Luscombe claims. When money becomes tight and maintenance budgets are cut then these areas will be the first to be hit and could revert to unsightly mess.

It believes instead in low-cost, low maintenance techniques involving the community, in some cases even generating small numbers of jobs, for what it calls "gap" sites. This will mean natural functions such as the use of wildflowers. A wildflower nursery has been one of the organisation's projects in Liverpool. Developed on a six-acre former sewage works, it markets seeds to local authorities landscaped firms and gardeners.

Renewal and Revival, from Landlife, The Old Police Station, Lark Lane, Liverpool, L17 8UU. Tel: 728 7011.

Tackling Dereliction from Federation of Civil Engineering Constructors, Courtyard House 1, Portico Street, London, WC2A 2HH. Tel: 01-404 4020.



A million people want a place to play

This year about a million people will have visited the Mersey Waterfront.

From far and near they have been coming to the historic Albert Dock Village — the country's largest group of Grade One Listed Buildings — currently being restored in a multi-million pound project comprising shops, businesses, entertainments and the famous Merseyside Maritime Museum. By 1988 Albert Dock will also be home of the 'late in the North', bringing one of the country's finest collections of contemporary art to Liverpool.

Many thousands of people have visited the nearby Festival Gardens, over 70 acres of spectacular gardens and events, all on the site of last year's International Garden Festival, the country's largest tourist attraction of 1984.

Albert Dock Village and the Festival Gardens are just part of an imaginative and exciting riverside development. A development where a million people will have discovered 68 acres of newly restored waterspace, right in the heart of Liverpool.

Large areas of land are available, land ideal for housing projects, sports and leisure facilities, entertainment complexes plus many exciting marine based activities. These superb riverside sites, together with a million people visiting the Mersey Waterfront offer tremendous opportunities for development and investment.

Working closely with the private sector, Merseyside Development Corporation is creating a unique environment, bringing prosperity and people to this revitalised waterfront.

A waterfront you should become part of.

Find out how — 'phone Alex Anderson today.

Merseyside Development Corporation

Royal Liver Building, Pier Head, Liverpool L3 1JH.
Telephone 051-236 8080
(24 hour answering service)

Green boost for local pride and employment

Garden Festivals

RICHARD EVANS

IF QUIZZED on the most popular tourist attraction in Britain last year, most people would probably plump for the Tower of London, Shakespeare's birthplace or possibly Windsor Castle. The improbable answer is 250 acres of what until three years ago was a silted-up dock and municipal rubbish tip beside the Mersey.

Nearly 3.4m people (3,378,969 to be precise) visited the Liverpool International Garden Festival between May and October 1984, and its striking success has spawned an industry. The pattern has now been set for garden festivals to be held in Britain every two years.

The idea for a garden festival in Britain was conceived around 1980 by Michael Heseltine, then Environment Secretary. Greatly impressed by the West German practice of holding festivals to convert urban bomb sites into parkland, he invited cities affected by industrial squalor to put forward their own reclamation strategies. Munich had transformed its city centre with a garden festival, so why not some of Britain's most blighted urban areas?

The ultimate aim was to pump new life into the host city by creating new industry, new jobs and new homes as well as donating attractive parks and gardens in place of industrial decay.

The response was impressive, and from 16 initial applications Liverpool and Stoke-on-Trent

were short-listed. The final choice of Liverpool in September 1981 was made by the Department of the Environment for several reasons—ministerial commitment to tackling Merseyside's ailing economy and poor environment, made more urgent by the Toxteth riots; the existence in the Merseyside Development Corporation of a businesslike agency capable of carrying through the necessary preparations in (by European standards) a remarkably short time-scale; and the way in which the transformation of the festival site would complement the corporation's already huge programme of reclamation and revitalisation in adjoining docks.

The Liverpool site could scarcely have been more derelict. There were decaying used oil tank farms, domestic refuse tips giving off methane gas, and Mersey silt which had to be reclaimed behind a new river wall. What emerged against a background of some scepticism and virtually no labour problems, was landscaped parkland with a riverside esplanade, man-made hills, lakes, streams and waterfalls, pergolas and terraces.

In the end, blessed with an excellent summer, the festival was an undoubted success.

Liverpool's success encouraged the Government to accelerate the programme for future festivals. Stoke was chosen for 1985 and the third, in Glasgow in 1988 will be a year earlier than originally planned. A Gateshead festival will follow in 1990 and one will be held in Wales (site undecided) in 1992.

But, inevitably, Liverpool as guinea pig made some mistakes

which Stoke and later festivals intend to benefit from.

The festivals are essentially a triple partnership between the Government represented by the Department of the Environment, the local authorities and private industry. In the case of Liverpool sponsorship support from industry was not easy to attract. The concept of garden festivals was new—people thought of them as a glorified flower show—and the area was rundown and had a notorious reputation for industrial relations anarchy. In the end a respectable £1.5m was put up.

Landscaped parks

Development of the 180-acre site at Stoke is already well advanced. Its industrial history started in the 18th century when Josiah Wedgwood set up his Etruria pottery there; collieries came later and in 1841 the Shelton Ironworks. It closed its gates in 1979 leaving 3,000 redundant.

When reclamation began in 1982 there was a moonscape of solid and liquid wastes, tar lagoons, oil tanks, mine shafts, toxic and unstable materials and demolished buildings.

Two factors in favour of Stoke were the expertise of Stoke City Council and Staffordshire County Council in derelict land reclamation, and the geographical position which gave it a potential catchment area of 20m.

Latest cost estimates, based partly on Liverpool's experience, put the total at £24.5m, including £3.5m for basic reclamation of the site paid for by the Government's derelict land grant.



The British pavilion at the Liverpool garden festival resected in the German garden's ornamental pond. Originally a German idea for stimulating redevelopment of war-damaged sites, British cities are now queuing up to hold similar festivals as a way of tackling their problems of dereliction.

The organisers are looking

for about £16m in order to break even and estimate they can do so with an attendance of 3.5m to 4m. The income will come from attendance money supplemented by charges for an internal railway and a cable car, sponsorship from industry (more than £3m is the target), ground rent from 150 stall holders and franchise income from catering, souvenirs and catalogue sales.

The local authorities have not yet decided what to do with the site when the festival ends, but it is likely that at least 40 acres will remain as a leisure park and 80 acres will be developed for housing and light industry.

Glasgow's plans, launched with a stylish presentation last month are intended to supplement a whole series of regeneration processes that have taken place in the city over the past decade and more. The festival will be aimed at setting the seal on Glasgow's transformation from a rundown city based on dying industries to a thriving commercial centre with a modern outlook.

Taking out the risks

WIGAN PIER has one, so has the Adelphi Hotel in Liverpool and the OK DIY car workshops in Brixton. Three years after the idea was imported from the U.S., they are among 162 Urban Development Grants (UDGs) schemes in the UK involving £77m of public funds but, much more importantly, £235m from the private sector.

The grant scheme was one of the things to come out of the American inner city riots of the 1960s. It came to Britain via FIG, the financial institutions group set up after the 1981 Toxteth riots with 30 secondaries lent to the Government by banks, insurance companies, and other City-based organisations.

The idea of UDGs is to remove the downside risk of investment in inner cities. In the past, developers were deterred by higher inner city costs and uncertain returns on capital. An UDG, however, reduces the capital need sufficiently for likely yields to make financial sense.

This sort of gap-bridging was thought by Mr Michael Heseltine, who introduced the scheme, while Environment Secretary, to be what the private sector needed by way of incentive to risk its capital in unattractive areas.

Mr Heseltine himself said in 1982 that it would take about three years for the evidence to show, and the figures would seem to bear this out, with the vast majority of projects still in the pipeline and 42 of them yet to start.

Exactly the same number—

42—have been completed, involving £27m of private sector money and £23m in grants. The 78 that are on site account for £218m of private money and £47m in UDGs.

But the scheme has not succeeded in the way the Government hoped. The money that Mr Heseltine was

UDGs

IAN HAMILTON FAZEY

after is that held by national financial institutions such as pension funds and insurance companies. Little of this has been forthcoming.

Mr Howard Mallinson, director of the urban renewal consultancy of Thomson McLintock Associates and a 1982 seconded to the Department of the Environment, says that target institutions are confused on London and Edinburgh and are averse to risk in places they don't know. The assumption that UDGs would persuade them to take risks has proved almost entirely wrong.

"The scheme has succeeded only because it has shifted towards the locally-based developer. In fact, the community has been better served by these people. No one has to sell them on the area and profit stays local contributing to a multiplier effect. The developer ends up with more resources to do even more," he says.

The UDG scheme is based on a "triangular" relationship between developer, local authority and the Government. The local authority has to make the application. The Government usually looks for a "leverage" factor of three—£3 of private sector money for every £1 of grant.

But there are criticisms of inflexibility. Mr Mallinson says, "The leverage you can get in London will naturally be very much higher from what can be obtained in Handsworth." He says that more people are coming to the view that the criteria must vary much more with location. If really disadvantaged districts are not to miss out altogether.

The other criticised aspect of the scheme is how the UDG can be spent. Often the biggest problem with an inner city scheme is getting fragmented land ownership into one pair of hands. This, together with preparing the site, is the sort of "extra" expenditure that can reduce yields to uneconomic levels as far as a developer is concerned.

But while UDG can be spent on clearing dereliction "assembling" a land package is not treated favourably. Meanwhile, the scheme has had some spectacular successes, of which one of the most impressive is the Adelphi Hotel in Liverpool. This was a seedy symbol of city centre decline when the Manchester-based Britannia Hotel group bought it from British Rail. An UDG of £1.37m in a total project cost of £8.54m has seen the hotel modernised while its decor has been restored to its Edwardian splendour.

At Wigan Pier, UDG has contributed £98,000 of a £290,000 project, enabling restoration of the canal-side complex of 200-year-old warehouses and their conversion into offices, workshops, bars, restaurants, recreation and conference facilities.

It is examples like these that have made the UDG scheme successful, despite its missing its mark with the national institutions. It has turned out to be the right thing to have done—even though it was for the wrong reasons.

Lessons from Liverpool

THE GOVERNMENT'S interface with the inner cities has changed this year with the creation of City Action Teams (CATs) in five English conurbation areas.

The teams are made up of the regional directors of the Departments of the Environment, Employment and Trade and Industry.

Their aims are to provide better co-ordination, more coherence and improved cost-effectiveness in the workings of the Government's Urban Programme. That they exist at all implies that all was not right with the arrangements that they now complement.

The lesson which led to the CATs was learned in Liverpool, where a Merseyside Task Force was established after the Toxteth riots of 1981. This was still led by the Department of the Environment, whose head in 1981 was Mr Michael Heseltine, the Cabinet Minister responsible for the Government's Merseyside initiatives.

Before the Task Force was established, co-ordination of urban policy on Merseyside often appeared non-existent and was the subject of intense police squabbling. The forum used to promulgate policy was the Liverpool Inner City Partnership, where local planning of urban programmes expenditure took place.

Similar "partnership" machinery exists in other English inner cities. Partnership members include representatives of local authorities, government departments, the health authorities and, in some areas, the police and voluntary sectors. An Environment minister chairs each one.

Because of Merseyside's special difficulties, Liverpool's partnership was chaired by the Environment Secretary himself. There was always political tension present because, until 1983, Liverpool was controlled by the Liberals while the other local authorities represented by Merseyside County Council, was in Labour hands.

Point-scoring and public rows hindered some projects, such as the Merseyside Innovation Centre which nearly failed to materialise because of bitterness between the city and the county. The establishment of the Task Force, headed by one of Whitehall's youngest under-secretaries, Mr Eric Sorensen, overrode this.

Moreover, the Task Force assumed a co-ordinating role throughout the Merseyside Special Development Area, rather than just within the Liverpool boundaries which is the partnership's remit. This was a running sore with Merseyside County Council, which saw its own role usurped. This antagonism is known to have been a factor in the council's eventual decision.

On top of this, the Task Force had a succession of able managers from the local private sector seconded to it, many of whom have carried out valuable project work, particularly on how to develop the market for tourism. The Department of Trade and Industry seconded staff to it and the link with the Department of Employment (and the Manpower Services Commission, which reported to it) soon became very solid.

To the Government, the arrangement's value was twofold. First, it broke down the traditional federal structure of Whitehall, making it difficult for things to fall between several stools, which they did in the past. The second virtue was political: it stopped local authorities playing government departments off against each other and enabled the squabbling factions in the partnership to be bypassed.

Mr Heseltine did not even try to disguise what was hap-

pening by keeping up a front of partnership meetings. He just stopped having them, much to the annoyance of Labour leaders of the county council. Eventually, he was forced to acknowledge that the partnership was a statutory entity that had to meet—but it never had real power on Merseyside again, and especially after Labour's Left, which had radically different ideas to the Government's on urban spending, took control of Liverpool.

Significantly, the idea of the CATs emerged after Mr Sorensen had returned to London as head of the Environment Department's inner cities directorate. But they are not quite like the Merseyside Task Force.

For one thing, they operate only in the partnership areas of Birmingham, Liverpool, Manchester-Salford, Newcastle-Gateshead, Hackney, Islington and Lambeth, not across the

City Action Teams

IAN HAMILTON FAZEY

whole conurbations. Liverpool has to have one for the sake of consistency, though the Task Force remains the main instrument of government input.

The Government says that its role is to improve its contribution to the partnerships, but since in Liverpool much effort has gone into by-passing the partnership, this looks a little thin there, though it is a fair claim in most of the other areas.

However, the CATs should also be viewed in the light of to whom they report, since this raises questions of consistency in management structures. The partnerships come under the Department of the Environment, but the CATs report to Lord Young.

When Lord Young was Minister Without Portfolio and attached to the Cabinet Office, this gave them a supra-departmental aura. But Lord Young is now Employment Secretary, so the CATs now report to the Department of Employment.

What this signals is a much greater orientation towards jobs and the use of urban programme resources to reduce the unemployment register in the inner cities before the next General Election.

Behind all the political lessons the Government has learned on Merseyside, one to be applied it may also signal something else: the Government is getting machinery in place in all the conurbations to put in resources—directly, by-passing local authorities if this becomes politically necessary.

Despite the confrontations with Liverpool and Lambeth and the rearguard action of the Metropolitan Counties to resist abolition, conciliatory noises are being made by Mr Kenneth Baker, the new Environment Secretary, about joint programmes with local authorities. But if co-operation is not forthcoming genuine replicas of the Merseyside Task Force could be established easily.

The effectiveness of the Merseyside Development Corporation—which as its own planning authority can ignore the local authorities, employ better professionals and work more happily with the private sector—has also been noted. A wider remit than the Mersey dockland, and similar urban development corporations in other big cities, would not be out of step with government action so far.

Main Government schemes

MUCH MORE is going to be heard from Mr Kenneth Baker, the new Environment Secretary, and one of the new proven "communicators" brought into the Cabinet last month, about the large sums of money that the Government is spending and is prepared to spend on urban renewal.

With some of the more contentious local authority business now off the DoE's agenda, regenerating Britain's cities looks like being one of the main tasks to which Mr Baker will devote his efforts in the run-up to the elections, a task that has been given extra urgency by the recent serious disturbances in Handsworth and Brixton. His theme is likely to be that the funds are there if the applicants come forward.

The Government's main mechanism for dispersing funds to the inner cities—a total of £350m this year—is the Urban Programme, which feeds into and through a hierarchy of different administrative structures.

In seven areas, Birmingham, Hackney, Islington, Lambeth, Liverpool, Manchester/Salford and Newcastle/Gateshead, the Government has formed partnership committees with local authorities and these are responsible for drawing up an inner area programme on a three-year basis. The aim is to split funds roughly three ways on economic, environmental and social initiatives.

In a further 23 programme authorities which receive money

there is consultation with Government but no formal partnership. An annual inner area programme is submitted to the DoE regional office and then to ministers.

Another 16 designated districts receive a smaller allocation of resources and a further small proportion is set aside for the traditional urban regeneration programme in other districts with substantial local pockets of need.

Urban Development Grant (England, Wales and Northern Ireland) has become one of the key funding elements within the urban programme. It aims to promote regeneration by stimulating private sector investment. Selected local authorities in 16 English counties, and all local authorities in Wales can apply and, where schemes are approved, will receive 75 per cent of the cost of grant, meeting the remainder themselves.

Derelict Land Grant. A total of £76m is available in the current year, a threefold increase since 1979 for reclamation. Grants of 100 per cent are paid to local authorities and 80 per cent to other bodies in assisted areas. Elsewhere, the rate is 50 per cent.

Urban Housing Renewal Unit. Launched in June this year, the unit will have as one of its main tasks the further encouragement of housing estate development to the private sector. UDG has already been used in a number of such schemes to fund refurbishment.

"If you believe in putting the building back into society then you're probably thinking the same way as Nationwide!"

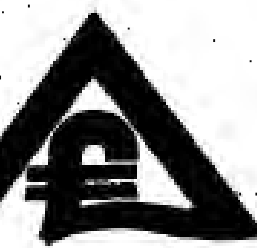
Our philosophy says a lot about us: the more we help people to build their savings, the more we can help people to build homes.

And when it comes to urban renewal, our sponsorship of Nationwide Housing Trust Ltd. has helped us to put that philosophy into vigorous practice. So that now, we have experience across a broad range of innovative and imaginative housing schemes. Working hand-in-hand with local authorities is second nature to many of our branch managers.

If you'd like some first-hand advice, with the loan of video tapes and case histories, then your local Nationwide manager is keen to help.

Putting the building back into society.
Nationwide.

Nationwide Building Society, New Oxford House, High Holborn, London WC1V 6PW.



Travis & Arnold
Timber, Building Materials, Heating and
Plumbing Equipment for the Construction
and Allied Trades. Northampton 52424.

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday October 8 1985

...for factories
and warehouses

I. TREVOR & SONS

Telephone
for information

London 01-594
Manchester 061-275
Birmingham 021-275

Mitsubishi to oversee joint U.S. venture

By Terry Dodsworth in New York

JAPANESE executives will be in charge of the day-to-day production at the joint small car plant being planned by Chrysler, the U.S. motor manufacturer, and Mitsubishi Motors of Japan.

The two companies announced yesterday that the \$500m facility would be located in Bloomington, a central Illinois city not far from Springfield.

One of three joint projects launched by U.S. and Japanese car producers, the Chrysler-Mitsubishi plant is to make a small car at an initial production rate of around 180,000 units a year. Although Chrysler helped with the styling of the vehicle, described as a "specialty model," it was mainly engineered by Mitsubishi.

Mitsubishi executives will also be in charge of the design and construction of the facility, which will be one of five vehicle-producing plants already established or planned in the U.S. The investment is expected to create around 2,500 jobs and another 8,000 among suppliers.

The decision to give the Mitsubishi team a central role in the production management reflects the U.S. eagerness to learn from Japanese manufacturing techniques for small cars. Chrysler has its own independent small-car project, code-named Liberty, but it is generally accepted that in the past American companies had been less efficient than the Japanese.

The main question mark hanging over the project, to be called Diamond-Star Motors, is the status of the United Auto Workers' union (UAW) in the plant. Mr Lee Iacocca, chairman of Chrysler, said yesterday that the decision on unionisation would be left to the new employees hired by Diamond-Star, although the UAW would have the first choice on representation.

This approach is different from the one adopted by General Motors, which accepted UAW representation before it went ahead with a joint project with Toyota in Fremont, California, and more recently for its Saturn small car plant in Tennessee.

However, Mr Iacocca made it clear that Chrysler and Mitsubishi would follow GM's policy in negotiating an entirely new agreement for the plant, implying that the two companies are seeking much more work flexibility than is typical in U.S. car factories.

Li Kashing in attempt to tighten reins

By Our Financial Staff

MR LI KASHING, the Hong Kong property financier, took steps over the weekend to tighten control over his extensive holdings when he announced an offer for minority shares in International City Holdings, a property development company.

An offer of HK\$1.01 a share, valuing ICH at HK\$3.53bn (\$453m), has been made through Union Firth Company, jointly owned by Mr Li's 40 per cent-owned Hutchison Whampoa and by Hongkong Electric, of which Hutchison in turn owns 24 per cent. HK Electric and Cheung Kong, Mr Li's master company, already own 65 per cent of ICH. A further 9 per cent is owned indirectly by Wheelock Martin.

Set up as a joint venture by HK Electric and Cheung Kong in 1980, ICH was floated off in May 1981. The shares, which will be suspended until tomorrow, traded at 88 cents on Friday. The offer is conditional on 90 per cent acceptance.

Disposal costs hit Lauritzen

By Hilary Barnes in Copenhagen

J. LAURITZEN, the Danish shipping and industrial group, warns that earnings in 1985 will be close to zero. In 1984 there was a group loss of Dkr 249m (\$25m).

An internal report said that first-half earnings were slightly lower than expected because of the costs of selling two heavy lifting ships, labour conflicts, and an unsatisfactory result for the Atlas-Danmark machinery subsidiary.

Ferruzzi goes to EEC on cereals-to-ethanol plan

BY ALAN FRIEDMAN IN MILAN

FERRUZZI, Italy's third largest company after Fiat and Montedison, is considering plans to invest more than L1,000bn (\$562m) to build a network of up to 12 ethanol processing plants in France and Italy.

These could be Europe's first such plants for the chemical, which is blended with petrol as a substitute for lead.

Dr Raul Gardini, managing director of the Ravenna-based agribusiness group and a member of the controlling family, is to travel with leading French cereal producers and others to Brussels for a meeting on November 5 with Mr Frans Andriessen, the European Farm Commissioner. At the meeting Dr Gardini, whose Ferruzzi group also controls 40 per cent of Beghin-Say, the French sugar and cocoa products group, is expected to lobby for

an EEC policy which redirects export subsidies for cereals to incentives for the conversion of Europe's cereal surplus to ethanol. Under EEC plans lead-free petrol will be required by 1990.

Ferruzzi, which is Europe's largest sugar conglomerate and also holds 2.5m acres of land in Italy, South America and the U.S., is currently investing \$75m to build an ethanol plant at Martyl Grove, Louisiana. The plant, being built under contract by a subsidiary of France's Spie-Batignolles group, will be 55 per cent owned by Ferruzzi, 20 per cent by Beghin-Say, 15 per cent by U.S. investors and 10 per cent by Italy's Montedison group. It will be able to produce 40m gallons of ethanol annually. The chemical is in growing use in the U.S. petrol industry where federal and state tax

incentives are available.

The Ferruzzi plan for Europe will be to build up to five plants in Italy and up to seven in France, each with a capacity of 160m litres this year. But much will hinge on the Community's willingness to use money spent at present on stabilising cereal export prices on the ethanol alternative.

A European Commission discussion document produced this summer - Prospects for the CAP - concluded that alternative expenditures on the cereal surplus could prove too costly. There remain, however, a number of senior Commission officials who see merit in the idea of turning cereal surpluses into ethanol and other products such as animal fodder, which result as a by-product of ethanol production.

Pantry Pride returns to fray with increased Revlon offer

BY PAUL TAYLOR IN NEW YORK

PANTRY PRIDE, the Florida-based supermarket group, yesterday returned to the bid battle for Revlon, the U.S. cosmetics and health care group, with a new \$56.25-share cash offer.

The latest offer, worth \$1.78bn when stock options and convertible preferred stock are included, comes immediately after an agreed \$36-a-share leveraged buyout bid by Forstmann Little, the Wall Street investment firm, under which Revlon would have been split into three parts.

Wall Street, reacting to the improved offer which continues a seven-week battle for Revlon dating from Pantry Pride's initial \$47.50 hostile takeover bid, pushed Revlon's shares up 5 1/4 to \$58 1/4 in early trading yesterday.

Pantry Pride said its new offer is conditional upon a number of factors. These include a Revlon withdrawal of its poison pill takeover defence. However, the group, which also launched court actions aimed at blocking the anti-takeover defences, halting proposed "golden parachute" payments to Revlon's management, and stopping a

planned \$25m fee payment to Forstmann Little, said the offer is no longer conditional on a minimum number of shares being offered, nor on financing.

The supermarkets group said it would finance the proposed acquisition using \$750m in cash and marketable securities, \$450m in bank borrowings, and from the sale of privately placed junk bond debt securities through Drexel Burnham Lambert. The group added that Drexel Burnham had indicated that it is "highly confident" it can place the new paper.

Mr Ronald Perelman, Pantry Pride's chairman and chief executive, said he hoped Revlon's board "would act responsibly and in the best interest of Revlon's shareholders with respect to Pantry Pride's offer."

At the same time Mr Perelman renewed his attack on Mr Michael Bergerac, Revlon's chairman and chief executive, saying, "In light of Mr Bergerac's repeated refusal to negotiate with Pantry Pride, the proposed leveraged buyout reinforces our belief that his actions are motivated more by self-interest than by the best interests of Revlon stockholders."

Under the earlier three-part Forstmann Little bid approved by the Revlon board, American Home Products, the U.S. health care group, would acquire Revlon's Norcliff Thayer subsidiary which makes Oxycontin and Oxyacne preparations, together with Revlon's Reheis Chemicals operations, for an undisclosed sum believed to be around \$350m.

Separately, a management group led by Adler & Shuykin, another New York investment banking firm, will acquire Revlon's worldwide beauty products business, for about \$800m. Finally, the Forstmann Little-led group, which includes Mr Bergerac, would end up owning the rest of Revlon's health care business in a new private company.

Pantry Pride has indicated previously that it plans to sell off Revlon's health care businesses which last year accounted for two thirds of Revlon's \$208.2m in net earnings, and just under 50 per cent of the group's \$2.4bn in sales.

Arab investors buy stake in U.S. financial services group

BY RICHARD JOHNS IN LONDON

A CONSORTIUM of nine Arab investors has acquired for \$12m a stake of between one-third and a half in Moseley, Halgartern, Estabrook and Weedon Holding Corporation, a U.S. financial services group.

The consortium is led by Mr Hikmat Nashashibi and Mr Omar Kassem, respectively the former chief executive and deputy chief executive of Al-Mal, the successful London-based finance house established four years ago as an intermediary between Arab investors and prime borrowers.

The deal will provide a badly-needed injection of capital to the Wall Street firm whose primary subsidiary is Moseley, Halgartern, Estabrook and Weedon.

In September it wrote off \$11m in the final liquidation of its loss-making zero-coupon government securities business. In London yesterday Mr John Bullock, president and chief executive of the company, described it as an exceptional loss.

As a result of the deal with the Arab consortium, the firm's "capital raising capabilities would be considerably more than they were three months ago," he said.

The transaction will increase the combined equity of the company to \$25-\$30m of common stock, according to Mr Bullock.

Mr Nashashibi, a specialist in the management of funds for Arab high net worth individuals, declined yesterday to reveal who the other investors were.

He described the acquisition as being about 25 per cent over net asset value and "one of the cheapest buys I know of on Wall Street."

Mr Bullock said the acquisition was being about 25 per cent over net asset value and "one of the cheapest buys I know of on Wall Street."

The aim is that the two respected Arab investment bankers will build up Moseley's range of services on both sides of the Atlantic. The first phase of the development will be the establishment of a subsidiary in London, a financial services company incorporating a Eurocurrency operation and asset management activities.

Mr Nashashibi, a 42-year-old Jordanian citizen from Jerusalem, becomes a vice-chairman of the main holding company, a board member of Moseley, Halgartern, Estabrook and Weedon and chairman of its policy strategy committee. Before founding the Al-Mal group in 1981 he was general manager of Kuwait International Investment Company.

Mr Kassem, a 32-year-old Egyptian, is being appointed a board member and executive vice-president of the holding company and head of international business for the main affiliate.

Mr Bullock said the acquisition was being about 25 per cent over net asset value and "one of the cheapest buys I know of on Wall Street."

The aim is that the two respected Arab investment bankers will build up Moseley's range of services on both sides of the Atlantic. The first phase of the development will be the establishment of a subsidiary in London, a financial services company incorporating a Eurocurrency operation and asset management activities.

Mr Nashashibi, a 42-year-old Jordanian citizen from Jerusalem, becomes a vice-chairman of the main holding company, a board member of Moseley, Halgartern, Estabrook and Weedon and chairman of its policy strategy committee. Before founding the Al-Mal group in 1981 he was general manager of Kuwait International Investment Company.

Mr Kassem, a 32-year-old Egyptian, is being appointed a board member and executive vice-president of the holding company and head of international business for the main affiliate.

Enka boosts interim earnings to DM 3.6bn

BY JOHN DAVIES IN FRANKFURT

ENKA, the West-German-based man-made fibres group, has reported a further increase in sales revenue and is confidently building up its investment outlay.

Enka, part of the Akzo chemical concern of the Netherlands, lifted sales revenue in the first nine months of this year to DM 3.6bn (\$1.3bn), 7 per cent more than in the same period last year.

Herr Josef Hutter, who took over as chief executive in June, indicated that Enka was happy with its earnings trend but gave no details. Last year Enka more than doubled net profit to DM 201m, with sales revenue 18 per cent ahead at DM 4.5bn.

The group has embarked on a sharply increased investment programme, under which it will spend a total of more than DM 1bn in the three years to 1987.

Enka has carried out major restructuring in recent years, shedding jobs, rationalising its works and putting more emphasis on growth areas such as industrial fibres. As a result, it is a completely different business from 18 years ago and basically healthy, Herr Hutter said.

After years of job-cutting, the West German part of the group has begun building up its workforce again, he said.

Herr Hutter predicted that high performance industrial fibres would continue to supplant metals and find increasing use in industry, space research and cars.

He said that U.S. companies were at present competing more strongly for a share of the European market for fibres to be used in tyres as a result of the weak U.S. tyre market.

Datapoint sets up buyout review

DATAPOINT, the Texas computer company taken over earlier this year by Mr Asher Edelman, the New York arbitrator, has announced the appointment of L. F. Rothschild, Unterberg, Towbin to make an independent review of the fairness of a management buyout proposal, writes Our Financial Staff.

Mr Edelman and his associates won effective control of the company last March after a long-running and at times bitter struggle. Their declared aim was to restructure the company's assets with a view to selling them and liquidating Datapoint.

As the final step in this process, Mr Edelman announced last month a leveraged buyout proposal, the effect of which would be to take the remainder of the company private, at \$8 a share.

Pirelli first-half profit tops \$36m

By Our Milan Correspondent

PIRELLI, the leading Italian tyre and cables group, made an aggregate net profit of more than \$36m in the first six months of this year, against \$32.3m in the first half of 1984. Net profit - from operating companies in 16 countries - could even have reached \$37m for the six months to June 30, say Milan analysts. A formal announcement of first-half income is expected in the next few weeks.

Pirelli group turnover is believed to have risen by around 5 per cent in the six-month period, but when expressed in dollars is likely to show a drop to between \$1.6bn and \$1.7bn against \$1.8bn for the first half of the 1984 calendar year. This is a result of the appreciation of the dollar against the lira and other currencies in the relevant period.

Because of the complex structure of the Pirelli group - with operating companies owned 46 per cent by Pirelli SpA in Italy, 45 per cent by Societe Internationale Pirelli SA in Basle and 9 per cent by Pirelli Societe Generale SA, also in Switzerland - results are aggregated rather than consolidated. The net profit is, however, provided after accounting for inflation.

Last year, the Pirelli aggregate group net profit was doubled to \$72.2m on sales of L4,800bn (\$3.8bn).

At present, the group's tyre companies - which last year represented 45 per cent of turnover - are all in profit, while cable activities are understood to be in profit except for Spain and the U.S. The diversified products business - which accounts for around 12 per cent of Pirelli group turnover - is thought to be headed for breakeven, but was still in loss in the first-half.

Pirelli is at present nearing the completion of an agreement to acquire from Bayer of West Germany its Metasol Kautschuk tyre and rubber products subsidiary.

Glut of D-Mark bonds threatens coupon levels

BY MAGGIE URRY IN LONDON

THREE new fixed-rate issues were launched into the Euro-D-Mark bond market yesterday and dealers are concerned that the oversupply of paper will force coupons higher.

The three deals totalled DM 625m. The largest - a DM 300m issue for Dornier - was the last to be launched with Deutsche Bank as lead manager. The 10-year bonds have a 6 1/2 per cent coupon and par issue price. It came too late to trade actively though it was quoted within the 1 1/2 per cent selling concession.

The Dow issue was something of a dampener for the Province of Manitoba's DM 200m deal launched earlier. This too has a 10-year life but pays a 6 1/2 per cent coupon and issue price is 99 1/2. Westdeutsche Landesbank is the lead manager. The bonds were trading around the 1 1/2 per cent selling concession.

Jysk Telefon, the Danish telephone company which is 50.1 per cent state-owned, launched a DM 125m 10-year issue led by Dresdner Bank. Like Dow's the coupon is 6 1/2 per cent with a par issue price. This proved the least popular of the three deals, trading just within the 2 1/2 per cent total fees.

The secondary market for D-Mark Eurobonds was weaker by up to 1/4 point with traders reporting little demand for bonds.

The Eurodollar bond market was once again quiet as currency movements continue to keep investors away from the market. Prices

slipped back by as much as 1/4 point with the New York bond market opening weaker. No new deals were launched.

The fixed-rate European bond market which had been without a new issue for weeks, now has two deals both slightly priced, say syndicate managers. Following Caisse Nationale des Telecommunications issue last week, Denmark yesterday launched a Y15bn deal on similar terms. The seven-year bonds have a 6 1/4 per cent coupon and 100% issue price.

Fuji International Finance won the mandate to manage the deal, the first Japanese city bank to lead a European issue. It was holding the trading level inside the 1 1/4 per cent fees yesterday, at 99 bid.

The European currency unit market had its first real zero coupon issue, for Philip Morris Credit Corporation. The redemption amount is Ecu 120m which will be payable on February 22 1993. Lead manager Banque Paribas set the issue price at \$5.70 where the yield to maturity is 8.33 per cent. The proceeds, of just under Ecu 67m, are being swapped into dollars.

The bonds were offered yesterday at a 1/4 point discount, equal to the selling concession.

Late in the day Banca Commerciale Italiana launched an Ecu 60m issue for the European Coal and Steel Community. This is mainly

targeted at Italian investors, though six non-Italian banks are included in the deal. Terms were set at a 6 1/2 per cent coupon and 99 1/2 issue price with the bonds maturing in 1995. A sinking fund in the last four years gives an average life of 8 1/2 years. Fees were set at 1 1/4 per cent, not the usual 2 per cent.

The Swiss franc foreign bond market continues to firm slightly, though volume is still modest. The Goodyear issue, a 15-year 5 1/2 per cent bond, closed its first day's trading at 99 1/2 compared to the 100% issue price.

UBS indicated a yield of 5 1/2 per cent for a 12-year issue for Astinac, the Austrian road financing entity. This has a maximum size of SwFr 150m.

The Euro-French franc market is also in good shape and a FFr 250m five-year issue for Electrolux, the Swedish company, met a good reception. Banque Nationale de Paris set the coupon at 11 1/4 per cent and issue price at par. The bonds were trading within the 1 1/4 per cent selling concession.

Only a week after joining Thomson McKinnon Securities as managing director, Herr Willy Breitschmid has hired two former colleagues from his Ross and Partners days. They are Herr Klaus Gerlach and Herr Heiner Jackson who two months ago left Drexel Burnham Lambert (which took over Ross) to join Chemical Bank.

Tandem expects best-ever quarter

BY OUR FINANCIAL STAFF

TANDEM Computers, the California maker of fault-tolerant computers, indicated yesterday that results for the final quarter which ended last month were expected to emerge ahead of those for any previous three months.

Mr James Treibig, its chief executive, said from Tandem's Cupertino headquarters that the company

was "gratified with both the level of revenue and the number of new software houses joining our alliance programme this quarter."

Tandem, which specialises in computer systems which can remain in use during a partial component failure, has made London financial institutions a particular sales target.

Mr Treibig warned, however, that "given the present conditions in the computer industry, we remain cautious about the near-term outlook."

Net earnings in the quarter to September 1984 reached \$21.63m, or 53 cents a share, on sales of \$153.06m.

New Issue

Canadian \$75,000,000

Sears Acceptance Company Inc.

10% Secured Debentures Series Z, due October 1, 1992

Unconditionally and irrevocably guaranteed by

Sears Canada Inc.

Sears

Issue Price 100%
(adjusted for interest)

Wood Gundy Inc.

Dean Witter Capital Markets - International

Banque Bruxelles Lambert S.A.

Banque Generale du Luxembourg S.A.

CIBC Limited

Crédit Lyonnais

Daiwa Europe Limited

Deutsche Bank Capital Markets Limited

Dresdner Bank Aktiengesellschaft

Goldman Sachs International Corp.

Hambros Bank Limited

Merrill Lynch Capital Markets

Morgan Guaranty Ltd

Orion Royal Bank Limited

Société Générale

Union Bank of Switzerland (Securities) Limited

Bank Leu International Ltd.

Bank Mees & Hope NV

Bank of Montreal

Bank Morgan Labouchere N.V.

Bankhaus Hermann Lampe
Kommunikationsgesellschaft

Banque Paribas Belgique S.A.

Berliner Bank
Aktiengesellschaft

Chemical Bank International Group

Crédit du Nord

Deutsche Girozentrale -
Deutsche Kommunalfbank

First Chicago
Limited

Generale Bank

Great Pacific Capital S.A.

McLeod Young Weir International
Limited

Nederlandsche Middenstandsbank N.V.

Nomura International
Limited

Schoeller & Co.
Bank Aktiengesellschaft

Schweizerischer Hypotheken- und Handelsbank

Vereins- und Westbank
Aktiengesellschaft

Westdeutsche Genossenschafts-Zentralbank e.G.

Westfalenbank
Aktiengesellschaft

Yasuda Trust Europe
Limited

October 1985

WORLD ECONOMIC INDICATORS
every Monday-Only in the Financial Times

September 1985

AUSTRALIAN WHEAT BOARD

DM 300,000,000 Loan Facility

Arranged by
COMMERZBANK
AGTUNGSGESAMT

COMMERZBANK (SOUTH EAST ASIA) LTD.

Provided by
COMMERZBANK (SOUTH EAST ASIA) LTD.

BAYERISCHE LANDESBANK GROSZENTRALE
SINGAPORE BRANCH

BHF-BANK INTERNATIONAL

DG BANK

DEUTSCHE GENOSSENSCHAFTSBANK

HELABA LUXEMBOURG

HESSISCHE LANDESBANK INTERNATIONAL S.A.

WESTDEUTSCHE LANDESBANK
GROSZENTRALE

Agent
COMMERZBANK (SOUTH EAST ASIA) LTD.

Adsteam in BHP deal with Bell

By Gordon Cramb

MR ROBERT Holmes & Court, the Perth businessman, yesterday acknowledged Mr John Spalvin's acquisitive Adelaide Steamship group as a collaborator in his renewed efforts to secure a strategic stake in Broken Hill Proprietary (BHP). The disclosure came in a lengthy statement to the Melbourne Stock Exchange by Mr Holmes & Court's Bell Group and Bell Resources, its energy affiliate. In it he confirmed an interest in 113.65m BHP shares, or 10.95 per cent of its equity. Much of this exists in option form, arising primarily from a deal which Bell said yesterday had been reached with Adsteam as far back as April 27. Mr Spalvin's company "may be deemed to be an associate of Bell Group" for the purpose, the statement added. The put options from Adsteam are understood to allow for the stripping out in Adsteam's favour, of the BHP final dividend for its year to last May. BHP shares rose 10 cents to a peak of A\$8.58 as rumours persisted of a planned partial bid by Bell.

Japan's big steelmakers move into silicon wafers

BY YOKO SHIBATA IN TOKYO

JAPAN'S four major makers of silicon wafers are due soon to face competition from the U.S. The acquisition will provide instant access to the U.S. market in addition to manufacturing expertise. Kawasaki stole a further march last month by launching a joint fabrication venture for custom chips with LSI Logic of the U.S. The venture, called Nihon Semiconductor Inc (NSI), is capitalised at \$45m, with a 5 per cent stake retained by LSI Logic and the rest owned by Kawasaki. With a total investment of about \$200m over the next five years, NSI intends to manufacture and market gate arrays and standard cells. Operations are due to start next spring. Kawasaki's non-steel business, centring on electronics, is expected by the company to contribute 40 per cent of projected revenues by the end of this century. Nippon Kokan has also launched a silicon wafer venture following its agreement with General Electric of the U.S. to purchase GE's Great

Western silicon plant, with an annual production capacity of 200 tonnes of polycrystalline silicon. Nippon Steel, the world's largest steelmaker, plans to start manufacturing silicon wafers from April 1987 through its newly established specialised electronics company, Nittetsu Denchi, set up in August—and has sought a technical agreement with Hitachi. Nittetsu Denchi is to begin by producing five-inch or six-inch silicon crystal wafers, moving to eight-inch format. The unit is seen as a core of the future business for Nippon Steel, and will receive strong financial and personnel support from the parent. Sumitomo Metal Industries and Kobe Steel have their exposure to the sector through Osaka Titanium, which has enjoyed good business in silicon wafers for some time. Sumitomo Metal is preparing to produce manufacturing equipment for super-chips from this autumn.

How Bouygues uses CitiBanking to gain 2 investment hours a day and millions of French francs a year.

You have over 100 accounts in more than a dozen different banks. How do you get your daily consolidated balance in time to make informed investment decisions before an 11 A.M. deadline?

Bouygues—France's largest multinational engineering and construction firm—does it easily and electronically through Citiserneur, a CitiBanking product.

"With CitiBanking, the balances in the different accounts are automatically retrieved and consolidated," explains Lionel Verdouck, Bouygues' Treasurer. "We get our total cash position before 9 A.M. And that extra time

has helped us increase our investment income by millions of francs a year."

To find out how your Treasury Department can benefit from the world's most advanced and secure electronically delivered banking services, call the Citibank located near you.

And put the Citi of Tomorrow to work for your company today.

WELCOME TO THE CITI
CITICORP • CITIBANK

©1985 Citibank, N.A. Member FDIC.

Aitken Spence defies the trend in Sri Lanka

BY ALAIN CASS AND MERVYN DE SILVA IN COLOMBO

WITH THE CHANCES of resolving Sri Lanka's ethnic conflict becoming increasingly slim, the island's economic future is uncertain and the business climate depressing. Businessmen look sombre as profits slide, especially in the country's potentially rich foreign exchange earner—the tourist and hotel industry. One conspicuous exception is Aitken Spence, a 115-year-old, one-time colonial company founded by two enterprising Scotsmen in the small town of Galle, a port 70 miles south of Colombo, to exploit Sri Lanka's attributes as a plantation economy and shipping centre. Careful expansion before the bloody 1983 riots which spurred the current crisis and careful husbanding since have helped the company to defy the national trend.

Although small by international standards—turnover in the year to March was Rs 520.8m (\$18.9m)—it represents a prime example of how a company can flourish through the twists and turns of a developing country's changing political and economic fortunes.

Despite a significant worsening of Sri Lanka's business climate pre-tax profits have soared, all but doubling from Rs 14.55m to Rs 28.03m for the latest year. Remarkably, nearly 40 per cent of this increase came in the company's hotel and tourist division, against the national picture which shows a drop of at least 30 per cent in tourist arrivals for two years running.

Communal troubles

Much of the credit for the company's success goes to Mr Charita da Silva, the company's chairman. Like a number of other decisions, Aitken Spence's moves in tourism were dictated by what he calls "strategic considerations." While many four- and five-star hotels in Colombo and on the east coast are deserted and virtually bankrupt, the company's carefully located hotels south of the capital flourish.

"Our resorts are in the south—well away from the trouble spots—and close to Colombo where we can keep an eye on them," says Mr de Silva. "We planned it that way although, of course, we did not anticipate the communal troubles at the time. It was luck just as much as judgment."

This combination of luck and judgment has granted the company's moves since the last British directors and major shareholders departed in 1985, enable it to withstand the rigours of taxation and socialist policies under the government of Mrs Sirimavo Bandaranaike.

By the time Mr de Silva became chairman in 1972, the company's main activities—tea plantations, shipping and insurance—were ripe for expansion and diversification.

Its chance came in 1977 when the pre-business government of President Junius Jayewardene removed import and exchange controls and liberalised the economy, offering many incen-

tives to the private sector. The names of some of the new subsidiaries of Aitken Spence suggest the scope of the expansion programme. They include Aitken Spence Garments, Aitken Spence Containers, Ace Air Cargo, Ahnagalla Hotels, Rubasteel (which makes plywood tea chests by a Swiss process) and National Insurance Corporation (NIC). The expansion at Aitken Spence was swift: Fixed assets have risen five fold since 1977 to Rs 220m.

Avoiding compromise

As part of its deliberate strategy Aitken Spence decided to avoid the import trade. "Although there was much money to be made from this as a result of the new, liberal policies, we knew it would be vulnerable to changes in government priorities. The current squeeze on imports by a government faced with a chronic trade deficit has consequently not affected the company."

It also decided to avoid the temptation to get involved in large government tenders. For one, says Mr de Silva, "it necessitates the kind of compromise that we were not prepared to make"—by which he means bribery—for another it was an area equally vulnerable to policy changes as witnessed by the present cutback in government spending."

Mr de Silva believes that "business need not be warfare and businessmen need not be brigands." But both he and his company display a vigorous style, exemplified in a rapid response approach to the current crisis.

A sudden eruption of violence in the Eastern Province, a recently-developed beach resort area, prompted a last-minute cancellation from a group of Finnish tourists who had seen some particularly scary pictures on their television screens. Aitken Spence convened a meeting with a senior security official, a representative from the Foreign Ministry and a diplomat from the Finnish legation. At the end of the day, the diplomat was able to assure the four company that its holidaymakers would be in no danger despite an increasing level of violence in the area.

CORRECTION NOTICE
NATIONAL BANK OF CANADA
Notice to Note Holders of 141% Deposit Notes due May 15, 1988
Further to the Notice of redemption published on 4th October, 1985, notice is hereby given that the following numbers of the Deposit Notes so called for redemption were incorrectly listed:
X2118 X2135 X2158 X2164 X2190
The correct designating letter and numbers of the Deposit Notes so called for redemption are:
X2018 X2035 X2058 X2064 X2080 X2090
Manufacturers Hanover Limited
London as Drawing Agent

ENERGY RESOURCES & SERVICES INCORPORATED
Net Asset Value
30th September 1985
\$7.00
per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS INC.
Net Asset Value
30th September 1985
\$2.84
per share (unaudited)

CAPITAL & COUNTIES PROPERTY INTERNATIONAL NV
U.S.\$25,000,000 9 per cent. Guaranteed Bonds 1988 (the "Bonds")
Notice is hereby given to holders of the Bonds that U.S.\$2,500,000 nominal amount of Bonds purchased in the market will be applied at par in satisfaction of the annual redemption instalment for the year to 1st November, 1985.
Following such application the nominal amount of Bonds outstanding will be U.S.\$22,500,000.
Principal Paying Agent: J. Henry Schroder Wagg & Co. Limited
120 Cheapside, London EC2V 6DS
8th October, 1985.

INTL COS & FINANCE

French move to boost stock market liquidity

BY DAVID MARSH IN PARIS

FRENCH banks and stockbrokers are to be allowed to carry out jobbing functions on the French securities market under an agreement reached to boost liquidity in Paris stocks and bond trading. The accord, announced at the end of last week, will lead to the setting up of joint jobbing companies owned by both stockbrokers and banks.

The aim is to allow a much greater degree of position-taking in securities dealing than has until now been permitted in Paris. Jobbing companies will be able to play a role as market-makers in certain areas to ensure continuous trading in the most widely dealt stocks and bonds.

The measures, which have been under discussion for some months, add up to a further move to revive the importance of the Paris financial markets. The French stockbroking community is increasingly aware of the danger that significant volumes of business could move to other financial centres, above all to the City of London, unless Paris becomes more competitive.

The agreement will also drive a further wedge into the privileged monopoly position of French stockbrokers. The French Government has no intention for the moment of removing brokers' unique right to trade on the Paris bourse, which dates from 1807. But banks and

stockbrokers will eventually be competing on equal terms when a planned futures market in fixed-interest securities and short-term instruments gets under way in the next few months.

The Finance Ministry, which is pushing reform measures to try to bolster the competitive position of Paris, this summer also moved to lower commissions charged by brokers on bond dealing with banks.

M. Daniel Lebegue, the director of the French Treasury, underlined the threat to Paris by the pace of deregulation in foreign centres in a speech last month in which he said the French financial market "faced a problem of survival".

The new jobbing rules represent a long-overdue reform. Stockbrokers, banks and other financial institutions have up to now been allowed to take positions for their own account only to a limited extent. Positions have been permitted only outside hours trading hours (at present from 12.30pm to 2.30pm) when the trader is acting on the clear instructions of clients. Positions opened in this way have had to be closed out very quickly afterwards on the bourse.

Now, position-taking activity is to be allowed across all sectors of the equity and bond markets, both within and outside trading hours. Positions can be held for a maximum of 90 days. The new jobbing

companies to be set up will complement the existing banking and stockbroking institutions already entitled to take out positions.

It is not yet clear how many stockbrokers and banks will want to join forces in setting up new companies. M. Xavier Dupont, head of the French stockbrokers association, said the size of the capital of the companies would help determine the maximum positions they could take on the market. Details have, however, not yet been worked out.

M. David Deutremont, chairman of Crédit du Nord and the head of the finance commission of the French banks association, said the reform would counter the danger of business escaping from Paris.

Paris still has a long way to go, however, before it can match up to more sophisticated trading standards sought by international investors. Continuous trading in key stocks — still on an experimental basis — will not start until next year. Bankers warn that the Paris bourse has to invest much more in computerised technology to improve trading conditions. Significantly, the key reason for a delay in the start-up of financial futures trading — originally planned to start last month — has been problems in setting up an appropriate computerised information system.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 7.

U.S. DOLLAR	Issued	Bid	Offer	Change on day	Yield
STRAIGHTS					
Ames Credit 10% 90	100	101 1/2	102	-0 1/2	10.24
Ames Credit 12% 90	100	101 1/2	102	-0 1/2	10.12
Ames Credit 14% 90	100	101 1/2	102	-0 1/2	10.12
Australia 11% 90	100	101 1/2	102	-0 1/2	10.12
Australia 12% 90	100	101 1/2	102	-0 1/2	10.12
Canada 11% 90	100	101 1/2	102	-0 1/2	10.12
Canada 12% 90	100	101 1/2	102	-0 1/2	10.12
Canada 14% 90	100	101 1/2	102	-0 1/2	10.12
Canada 15% 90	100	101 1/2	102	-0 1/2	10.12
Canada 16% 90	100	101 1/2	102	-0 1/2	10.12
Canada 17% 90	100	101 1/2	102	-0 1/2	10.12
Canada 18% 90	100	101 1/2	102	-0 1/2	10.12
Canada 19% 90	100	101 1/2	102	-0 1/2	10.12
Canada 20% 90	100	101 1/2	102	-0 1/2	10.12
Canada 21% 90	100	101 1/2	102	-0 1/2	10.12
Canada 22% 90	100	101 1/2	102	-0 1/2	10.12
Canada 23% 90	100	101 1/2	102	-0 1/2	10.12
Canada 24% 90	100	101 1/2	102	-0 1/2	10.12
Canada 25% 90	100	101 1/2	102	-0 1/2	10.12
Canada 26% 90	100	101 1/2	102	-0 1/2	10.12
Canada 27% 90	100	101 1/2	102	-0 1/2	10.12
Canada 28% 90	100	101 1/2	102	-0 1/2	10.12
Canada 29% 90	100	101 1/2	102	-0 1/2	10.12
Canada 30% 90	100	101 1/2	102	-0 1/2	10.12
Canada 31% 90	100	101 1/2	102	-0 1/2	10.12
Canada 32% 90	100	101 1/2	102	-0 1/2	10.12
Canada 33% 90	100	101 1/2	102	-0 1/2	10.12
Canada 34% 90	100	101 1/2	102	-0 1/2	10.12
Canada 35% 90	100	101 1/2	102	-0 1/2	10.12
Canada 36% 90	100	101 1/2	102	-0 1/2	10.12
Canada 37% 90	100	101 1/2	102	-0 1/2	10.12
Canada 38% 90	100	101 1/2	102	-0 1/2	10.12
Canada 39% 90	100	101 1/2	102	-0 1/2	10.12
Canada 40% 90	100	101 1/2	102	-0 1/2	10.12
Canada 41% 90	100	101 1/2	102	-0 1/2	10.12
Canada 42% 90	100	101 1/2	102	-0 1/2	10.12
Canada 43% 90	100	101 1/2	102	-0 1/2	10.12
Canada 44% 90	100	101 1/2	102	-0 1/2	10.12
Canada 45% 90	100	101 1/2	102	-0 1/2	10.12
Canada 46% 90	100	101 1/2	102	-0 1/2	10.12
Canada 47% 90	100	101 1/2	102	-0 1/2	10.12
Canada 48% 90	100	101 1/2	102	-0 1/2	10.12
Canada 49% 90	100	101 1/2	102	-0 1/2	10.12
Canada 50% 90	100	101 1/2	102	-0 1/2	10.12
Canada 51% 90	100	101 1/2	102	-0 1/2	10.12
Canada 52% 90	100	101 1/2	102	-0 1/2	10.12
Canada 53% 90	100	101 1/2	102	-0 1/2	10.12
Canada 54% 90	100	101 1/2	102	-0 1/2	10.12
Canada 55% 90	100	101 1/2	102	-0 1/2	10.12
Canada 56% 90	100	101 1/2	102	-0 1/2	10.12
Canada 57% 90	100	101 1/2	102	-0 1/2	10.12
Canada 58% 90	100	101 1/2	102	-0 1/2	10.12
Canada 59% 90	100	101 1/2	102	-0 1/2	10.12
Canada 60% 90	100	101 1/2	102	-0 1/2	10.12
Canada 61% 90	100	101 1/2	102	-0 1/2	10.12
Canada 62% 90	100	101 1/2	102	-0 1/2	10.12
Canada 63% 90	100	101 1/2	102	-0 1/2	10.12
Canada 64% 90	100	101 1/2	102	-0 1/2	10.12
Canada 65% 90	100	101 1/2	102	-0 1/2	10.12
Canada 66% 90	100	101 1/2	102	-0 1/2	10.12
Canada 67% 90	100	101 1/2	102	-0 1/2	10.12
Canada 68% 90	100	101 1/2	102	-0 1/2	10.12
Canada 69% 90	100	101 1/2	102	-0 1/2	10.12
Canada 70% 90	100	101 1/2	102	-0 1/2	10.12
Canada 71% 90	100	101 1/2	102	-0 1/2	10.12
Canada 72% 90	100	101 1/2	102	-0 1/2	10.12
Canada 73% 90	100	101 1/2	102	-0 1/2	10.12
Canada 74% 90	100	101 1/2	102	-0 1/2	10.12
Canada 75% 90	100	101 1/2	102	-0 1/2	10.12
Canada 76% 90	100	101 1/2	102	-0 1/2	10.12
Canada 77% 90	100	101 1/2	102	-0 1/2	10.12
Canada 78% 90	100	101 1/2	102	-0 1/2	10.12
Canada 79% 90	100	101 1/2	102	-0 1/2	10.12
Canada 80% 90	100	101 1/2	102	-0 1/2	10.12
Canada 81% 90	100	101 1/2	102	-0 1/2	10.12
Canada 82% 90	100	101 1/2	102	-0 1/2	10.12
Canada 83% 90	100	101 1/2	102	-0 1/2	10.12
Canada 84% 90	100	101 1/2	102	-0 1/2	10.12
Canada 85% 90	100	101 1/2	102	-0 1/2	10.12
Canada 86% 90	100	101 1/2	102	-0 1/2	10.12
Canada 87% 90	100	101 1/2	102	-0 1/2	10.12
Canada 88% 90	100	101 1/2	102	-0 1/2	10.12
Canada 89% 90	100	101 1/2	102	-0 1/2	10.12
Canada 90% 90	100	101 1/2	102	-0 1/2	10.12
Canada 91% 90	100	101 1/2	102	-0 1/2	10.12
Canada 92% 90	100	101 1/2	102	-0 1/2	10.12
Canada 93% 90	100	101 1/2	102	-0 1/2	10.12
Canada 94% 90	100	101 1/2	102	-0 1/2	10.12
Canada 95% 90	100	101 1/2	102	-0 1/2	10.12
Canada 96% 90	100	101 1/2	102	-0 1/2	10.12
Canada 97% 90	100	101 1/2	102	-0 1/2	10.12
Canada 98% 90	100	101 1/2	102	-0 1/2	10.12
Canada 99% 90	100	101 1/2	102	-0 1/2	10.12
Canada 100% 90	100	101 1/2	102	-0 1/2	10.12

CARREFOUR

CONSOLIDATED INCOME FOR THE 6-MONTH PERIOD TO JUNE 30, 1985
(IN MILLIONS OF FRENCH FRANCES)

	1985	1984	% 6/5/84
Sales	20,292	17,632	+15.1%
Net income before extraordinary items	202	148	+36.5%
Net income	202	206	-1.5%

Income for the complete year 1985 will not show a progression as important as that of the first half-year.

The second half of 1985 will bear the costs related to the expansion programme following our association in France with Coop: the weakness of the dollar, and of the currencies attached to the dollar, will reduce — once translated into French francs — income from international subsidiaries.

We are expecting, however, our net income before extraordinary items for 1985 to increase, in real terms, by 10% over 1984.

In 1984 we booked extraordinary income from the sale of an affiliate. In 1985, we expect no extraordinary items.

MANUFACTURERS HANOVER CORPORATION

U.S. \$100,000,000

Floating Rate Subordinated

Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that the coupon amounts for the period 15th July, 1985 to 15th October, 1985 will be U.S. \$2.0744 for the U.S. \$100,000 denomination and will be payable together with the amounts for the second and third interest Sub-periods of the said Interest Period on 15th October, 1985, against surrender of Coupon No. 1.

Manufacturers Hanover Limited Agent Bank

TELLSUDEN VOIMA OY

(TYVO Power Company)

U.S. \$100,000,000

Floating Rate Notes due 2004

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th January 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S. \$779.10 and will be payable together with the amounts for the second and third interest Sub-periods of the said Interest Period on 9th January 1986 against surrender of Coupon No. 7.

Manufacturers Hanover Limited Agent Bank

Christie's in the City: 4

Advice to Sellers of Works of Art is a valued part of Christie's service to clients in the City. We also help on all matters relating to valuation, insurance, probate, tax implications, etc. Sales Catalogues available. Telephone Simon Birch or Peter Arbuthnot for an appointment: 01-588 4424.

Christie's, 10/12 Copthall Avenue, London EC2R 7DJ.

FIAT FINANCE CORPORATION B.V.

U.S. \$100,000,000

GUARANTEED FLOATING RATE NOTES DUE 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the six month Period 9th October, 1985 to 9th April 1986, has been fixed at 8 1/4% per cent per annum. Coupon No. 4 will therefore be payable at U.S.\$436.04 on 9th April 1986.

Manufacturers Hanover Limited Agent Bank

INSTITUTO NACIONAL DE INDUSTRIA

U.S. \$150,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S.\$18.82 in respect of the U.S.\$10,000 denomination and U.S.\$5,470.49 in respect of the U.S.\$250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

DEUTSCHE MARK

DM 100,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be DM 18.82 in respect of the DM 10,000 denomination and DM 5,470.49 in respect of the DM 250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

U.S. \$100,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S.\$18.82 in respect of the U.S.\$10,000 denomination and U.S.\$5,470.49 in respect of the U.S.\$250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

U.S. \$100,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S.\$18.82 in respect of the U.S.\$10,000 denomination and U.S.\$5,470.49 in respect of the U.S.\$250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

U.S. \$100,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S.\$18.82 in respect of the U.S.\$10,000 denomination and U.S.\$5,470.49 in respect of the U.S.\$250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

U.S. \$100,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S.\$18.82 in respect of the U.S.\$10,000 denomination and U.S.\$5,470.49 in respect of the U.S.\$250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

U.S. \$100,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S.\$18.82 in respect of the U.S.\$10,000 denomination and U.S.\$5,470.49 in respect of the U.S.\$250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

U.S. \$100,000,000

Floating Rate Notes due 2000

Notice is hereby given that the Rate of Interest for the first interest Sub-period of the Interest Period ending on 9th April 1986 has been fixed at 8 1/4% per annum. The amount payable for the first interest Sub-period will be U.S.\$18.82 in respect of the U.S.\$10,000 denomination and U.S.\$5,470.49 in respect of the U.S.\$250,000 denomination and will be payable together with the amount for the remaining interest Sub-period of the said Interest Period on 9th April 1986 against surrender of Coupon No. 4.

Manufacturers Hanover Limited Agent Bank

UK COMPANY NEWS

Abbey considers £20m offer from French Kier

BY FRANK KANE

THE board of Abbey, the Dublin-based housebuilder which is in effect controlled by the Gallagher family, was considering last night whether to recommend an offer for the company from French Kier Holdings, the UK construction, shipping and property group. The offer values the Irish company at £18.5m.

Kier earlier announced that it had received irrevocable undertakings from Abbey shareholders in respect of 8.5m shares, or 36 per cent of the total. It is understood that these acceptances came from two institutional shareholders — Zaiton Investments and Cambulag Investments — which represent the interests of Mr Patrick Gallagher, currently company president, and the late Mr James Gallagher, chairman.

The attitude of the company chairman, Mr Charles Gallagher, who has a large interest in Abbey through a third institutional shareholder, has not yet been made public. The company said last night that it would be in a position today to issue a statement concerning the offer.

Mr John Mott, French Kier's chairman, said that he was hopeful of getting a recommendation from the board, but added that the 36.4 per cent stake was "a good start". Kier has for some time had it in mind to expand its housebuilding activities, he said, and they heard recently that a large holding in Abbey might become available.

Although Abbey is registered in Dublin, most of its business is in the UK. In the year to



Mr Charles Gallagher, chairman of Abbey

April 30 1985, of its total turnover of £56.5m some £44.3m derived from UK operations. Of particular attraction to Kier is its strong presence in the Home Counties.

Kier said that the addition of Abbey's operations in the south-east of the UK — in 1984-85 it built approximately 700 houses in the private sector — would give the combined group sales of over 1,000 houses per year and would strengthen Kier's position in this market. Abbey also has a successful plant hire business in the UK which Kier would intend to develop.

The terms of the offer are one new 25p (sterling) ordinary share in Kier, plus £2.75p, for every five ordinary shares in Abbey. On the basis of Kier's closing price of 190p (sterling) last Friday, this values each Abbey share at £1.21, and the company at £23.48m.

There is a cash alternative which values each share in Abbey at £10.88, or 80p sterling. Abbey closed at 80p up 2p, on the London market last night, some way higher than the implied sterling value of the Kier offer at 83p. French Kier shares were unchanged at 189p.

Last Friday Mr Charles Gallagher told shareholders at the annual meeting that he was unable to offer an explanation for the sharp rise in Abbey shares — they rose from 70p to 90p sterling over the week. No takeover approach whatsoever had been notified to the company.

Also yesterday French Kier announced its results for the first half of 1985. These showed a 16 per cent rise in profit before tax from £8.3m to £7.5m on turnover ahead 15 per cent at £10m.

The early indications for the second half gave him a degree of encouragement for the full year. He anticipated a turnover of around £30m for the year.

The interim dividend is raised from 1.55p to 2.33p, but the directors advise shareholders not to regard that as a guide to the rate of full year increase. The total last time was 6.15p.

Kalon plans £9m takeover of Dufay

Kalon Group, the West Yorkshire paint-maker yesterday announced plans to launch an £8.8m takeover bid for Dufay Bitumastic, the industrial coatings and ink manufacturer, provided Dufay's board will back its offer.

Dufay said it would be consulting its financial advisers and warned its shareholders to take no action.

The success of any Kalon bid will depend very much on what happens to a 24.1 per cent stake in Dufay which is on for sale.

This holding came on the market in August when Camrex (Holdings), a marine and industrial paint-maker and the owner of the Dufay plant, was put in the hands of the liquidator by its parent company Ruberoid.

Kalon has put an offer to the liquidator, Mr John Wheatley of Peat Marwick Mitchell, but as many as six or seven other parties are believed to be interested. The result of the tenders should be known next week.

Kalon said it is ready to offer 21 of its own shares for every 10 Dufay shares. Kalon's shares fell 1 1/2p yesterday to 25 1/2p in the London market. Dufay's shares rose 9p to 56p.

The bid announcement coincided with the publication of Kalon's unaudited results for the six months ended June 1985 which showed a 33 per cent rise in pre-tax profit to £1.24m on turnover 11 per cent higher at £38.3m.

The group was formed in June by the merger of the troubled Leyland Paint and Wallpaper and Kalon, a private Yorkshire paint and chemicals company. The comparatives aggregate the results of Kalon and the continuing operations of Leyland.

For 1984 Kalon achieved £3.07m at the pre-tax level, while Leyland incurred losses of £253,000. The costs of the merger are not included in the results.

In the light of the figures the special interim dividend of 0.8p, forecast at the time of the listing, will be paid. This is in line of a goal for the year to end-December 1985. In future the directors intend the dividends to be divided as to one-third at the interim stage and two-thirds for the final. Stated net earnings this time are 0.69p (0.52p) per share.

Mr Leslie Silver, the chairman, says that none of the benefits from the merger is reflected in the results. The two companies are integrating quickly and effectively, and the board is confident that second half results will reflect the tangible benefits being achieved.

He also adds that the substantial investment programme means group borrowings will continue at about the current level. The board anticipates that as the benefits from both the merger and these investments are progressively realised the company will be able to report satisfactory full-year results and confidence in the future. The results this time have been achieved despite severe increases in raw material costs, particularly titanium dioxide, and the poor level of profits in the paint industry as a whole.

With turnover ahead by £1.86m to £38.3m, the group's trading profit rose from £1.34m to £1.85m. Higher interest charges of £642,000 (£414,000) were due to the capital investment and business expansion of 1984 and higher interest rates during the period.

For 1984, £434,000 (£226,000) leaving net profits at £208,000 against £66,000. There were extraordinary credits this time of £9,000.

Ibstock Johnsen higher after reduced U.S. loss

A SHARP reduction in U.S. losses from £1.5m to £0.2m enabled Ibstock Johnsen, facing brick manufacturer, to turn in increased pre-tax profits of £4.8m for the first half of 1985, compared with a restated £4.8m last time.

In the UK, the company's brick deliveries, down by 21 per cent in the first half, had recovered in the second but were still over 12 per cent lower at the half year.

The combined effects of bad weather and the miners' strike also affected production in several plants. At £6.88m, UK profits were £0.45m short of last year's record first half.

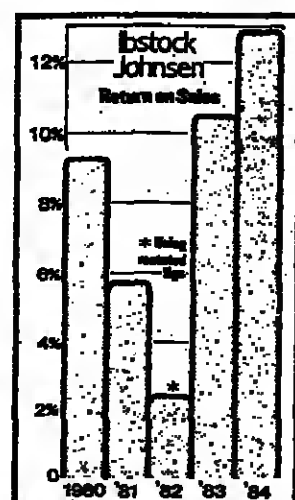
UK trading conditions are not as favourable at last year, but deliveries on a month on month basis are now running slightly ahead of 1984.

The acquisition of Warrens in April, to provide Ibstock with a clay tile production facility in the excellent market area of the Thames Valley, is working out well and it is hoped soon to start producing clay tiles.

In the U.S. Glen-Gery continues to make good progress and the company had moved into profitability. Turnover in dollars again rose substantially with a 33.8 per cent increase over last year's first half. Losses of £2.1m were reduced to £0.2m.

The company's order book is filling well and prices are gradually rising. In May, the company opened the brickwork design centre in Manhattan. As soon as major investments are made working capital requirements are expected to move upwards.

Major investments have been



Ibstock Johnsen Return on Shares

taking place at three U.S. plants and at most of the company's UK plants there is a similar picture. The board says a certain amount of commissioning disruption is inevitably being experienced from time to time this year.

Group half year turnover increased from £89.1m to £97.5m, of which UK building products accounted for £25.7m (£25.7m) and the U.S. £29.3m (£19.1m). Turnover of the three divisions fell from £42.3m to £12.3m. Adverse conditions continue in the world pulp markets and as anticipated, this side's trading profits at £0.6m were below last year's exceptional £1.05m.

Group tax charge for the period was lower at £1.45m (£1.81m) as a result of a high

level of UK investment and improved U.S. results. Net profits were £3.38m (£2.81m) for stated earnings per 25p share of 5.57p (4.82p).

The interim dividend is in effect 30 per cent higher at 1.5p (1.15p) net—last year's total was equivalent to 4p after adjusting for the one-for-one scrip.

Net interest charges for the half year increased from £1.68m to £1.93m.

● **comment**

Ibstock Johnsen's profits were slightly below forecasts but the share price managed to nut on 2p to 154p—probably more on the note of optimism about prospects in the U.S. than through expectations of any advance at home. Turnover in the U.S. now far outstrips that in the UK, yet it has not delivered any profits since 1979. The potential for improvement is clearly vast and the fact that August showed a profit suggests that the corner has at last been turned: analysts expect a contribution of £2m this year. The UK prospects are not so bright in the short term. The 12 per cent decline in deliveries compared with an industry average of 10 per cent, and only the fact that its price held up preserved the turnover figure. Deliveries in the second half may be running ahead of last year's but oversupply is likely to see prices fall. Meanwhile, the fibre interests are suffering a marked downturn. Overall a modest advance this year to £13m looks probable, putting the share at a prospective P/E ratio of 10.5 after a 30 per cent tax charge—undemanding in the light of the U.S. prospects.

Substantial progress for James Halstead

ALL-ROUND progress has been made by the James Halstead Group in the year ended June 30 1985. Turnover, trading profits, and the pre-tax balance show substantial increases, and the balance sheet is stronger with borrowings at below 10 per cent of shareholders' funds.

The dividend is lifted from 3.5p to 4p net with a final of 2.5p, and the directors express confidence in the future and expect next year's results to show still further progress.

The group's main trading areas are the manufacture of floorcoverings and leisure products, the low-cost coach/camping holiday operation having being closed during the year. Group turnover rose from £21.8m to £25.19m, trading profit by 42.4 per cent from £2.45m to £3.49m, and the pre-tax balance by 40 per cent from £2.18m to £3.07m after increased employee profit sharing.

Mr Vincent Clare, the chairman, says the management has concentrated hard on the development and expansion of the core businesses, and its basic intention is to carry on with that policy.

Progress in the flooring division has been excellent with profits up from £3m to £3.42m, but the other trading divisions, too, have improved, with their contribution going up from £5,000 to £332,000. Losses in the discontinued activity fell substantially from £554,000 to a final £176,000.

Administration costs fell to £132,000 (£160,000) but there was a charge for finance of £128,000 (income £6,000). Tax takes £124m (£765,000) to leave the net profit at £1.85m (£1.41m) for earnings of 12.92p (10.07) per share.

This year there is an extraordinary dividend of £33,000 (£770,000) comprising reorganisation costs less the write-back of a measure provision no longer required.

The growth of James Halstead (floorcoverings) in PVC and carpet form is particularly noteworthy, says Mr Clare, as market conditions, especially retail, were never easy. The improved profitability is the result of keen marketing and the identification of new product areas and applications.

Belstaff International (clothing for the motor cycle and leisure industries) gave a better performance than anticipated, and the introduction of products in several new markets.

Conway Leisure Products has re-established its prominence in the market for tents and folding campers, and the previous year's loss was turned into a small profit. Assuming a reasonable season, the company should see a further well placed to return a more acceptable level of profits in the current year.

● **comment**

James Halstead's figures are flattered somewhat by comparison with a year in which it was still suffering losses from its ill-starred venture into car camping holidays and during which it contended with the distractions of an unwelcome bid from British Syntex. They look creditable nonetheless: the management's determination to concentrate on its existing businesses and squeeze as much out of them as it can with rationalisation, cost-cutting and the introduction of new products is clearly paying off. Belstaff, in particular, is showing a significant recovery following management's efforts last year; meanwhile, in PVC flooring, the group remains leader in the contract flooring sheet market and is benefiting from the strength of its exports: it has won a contract to supply the U.S. Navy which was taken from a Japanese supplier. This year should see a similar rate of growth, suggesting profits of about £4m. After a tax charge of 40 per cent, this has the shares at a prospective P/E ratio of about 6 at 88p.

Halifax Building Society
Floating Rate Loan Notes 1982
For the six month period from 7 October 1985 to 7 April 1986 the Notes will bear interest at the rate of 11.375 per cent per annum. The Coupon amount per £5,000 Note will be £562.50, payable on 7 April 1986.
Morgan Grenfell & Co. Limited
Agent Bank

LADBROKE INDEX
1,065-1,069 (-6)
Based on FT Index
Tel: 01-427 4411

Guinness Peat lifts Britannia Arrow stake

Guinness Peat, the financial services group, has acquired a further 3.5m shares in Britannia Arrow Holdings, the investment and banking conglomerate, its raising its stake from just under 26 per cent to over 28 per cent.

GP was offered the block of shares yesterday morning at 10.14p at a time when they were trading in the market at 10.5p. They closed last night at 10.5p, down 1p.

Mr Alistair Moreton, GP's chief executive, said the acquisition was made because the shares were offered "at a price not to be missed".

United's shares fell 3p to 300p yesterday while Fleet was unchanged at 332p.

More dealings in United Newspapers

Kleinwort, Benson, the merchant bank advising Fleet Holdings on its defence against a £277m takeover bid from United Newspapers, announced yesterday it sold 250,000 United shares at 300p each on Friday.

This was the second sale from the holding of 2.05m shares bought last month.

Morgan Grenfell, United's adviser, has also entered the share dealing fray and had bought 240,000 United shares by last Friday.

United's shares fell 3p to 300p yesterday while Fleet was unchanged at 332p.

BankAmerica Corporation

U.S. \$400,000,000
Floating Rate Subordinated Capital Notes Due 1997
Holders of Notes of the above issue are hereby notified that for the next interest Sub-period from 9th October, 1985 to 12th November, 1985 the following will apply:
1. Interest Payment Date: 9th December, 1985
2. Rate of Interest: 8 1/2% per annum
3. Interest Amount payable: US \$392.53
4. Accumulated Interest: per US\$ 50,000 nominal
5. Next Interest Sub-period will be from 12th November, 1985 to 9th December, 1985.
Agent Bank
Bank of America International Limited

Contract problems push Turriff into the red

FURTHER LOSSES in its southern construction division on contracts entered into in 1982 and 1983 have pushed Turriff Corporation, the directors say in reporting the group's dive into losses of £221,000 on the first half of 1985, compared with pre-tax profits of £506,000.

Turnover for this Warwick-based builder and property developer, dropped by £1m to £21.1m over the six months. The pre-tax figure was struck after a loss of £1.2m on building construction and refurbishing, against profits of £104,000.

Looking ahead, Mr W. G. Turriff, the chairman, believes that the company has bitten the bullet, and will deliver worthwhile profits in the not too distant future.

He adds that positive action has been taken to consolidate and control effectively the involvement in competitive construction.

After a lower tax charge of £80,000 (£163,000), and minorities down from £72,000 to £42,000, the attributable loss emerged at £253,000 (£284,000 earnings) for a loss per share of 11.5p against earnings of 6.4p.

The textiles and electronics group S. Jerome & Sons (Holdings) expanded profits in the first half of 1985. Its pre-tax result is up from £131,000 to £214,000, and the interim dividend is being set at 0.84p to 1p net per share.

However, part of the increase is to reduce the disparity with the final—1.15p last time—and the total for the year will depend on the full results, which are likely to be a record.

In the half year, the textiles side—worsted spinning, weaving, bleaching and finishing—lifted its profit from £312,000 to £468,000. The directors say the order books are at a record level.

In electronics the previous loss of £86,000 has been turned into

a profit of £33,000, and this significant improvement is very encouraging, the directors state. In the first half of 1985, the group's profit was down from £1.2m to £0.8m, a shortage of orders.

Management changes were made earlier in the year but the full benefits thereof are not expected until 1986. Mr R. E. Turriff, the managing director, and a sales director was appointed with special responsibilities for the offshore oil and gas side of the electronics business.

The divisional profit split is stated before charging interest on acquisition issues, 2 USM stocks, 3 Unquoted stock, 1 Making 11p so far in 18 months to June 30 1985. For 10 months.

Jerome profit soars by 140% at halfway mark

THE TEXTILES and electronics group S. Jerome & Sons (Holdings) expanded profits in the first half of 1985. Its pre-tax result is up from £131,000 to £214,000, and the interim dividend is being set at 0.84p to 1p net per share.

However, part of the increase is to reduce the disparity with the final—1.15p last time—and the total for the year will depend on the full results, which are likely to be a record.

In the half year, the textiles side—worsted spinning, weaving, bleaching and finishing—lifted its profit from £312,000 to £468,000. The directors say the order books are at a record level.

In electronics the previous loss of £86,000 has been turned into

a profit of £33,000, and this significant improvement is very encouraging, the directors state. In the first half of 1985, the group's profit was down from £1.2m to £0.8m, a shortage of orders.

Management changes were made earlier in the year but the full benefits thereof are not expected until 1986. Mr R. E. Turriff, the managing director, and a sales director was appointed with special responsibilities for the offshore oil and gas side of the electronics business.

The divisional profit split is stated before charging interest on acquisition issues, 2 USM stocks, 3 Unquoted stock, 1 Making 11p so far in 18 months to June 30 1985. For 10 months.

DIVIDENDS ANNOUNCED					
	Current payment	Date	Corresponding div. year	Total for year	Total last year
Cleese Brothers	4.75	Nov. 8	3.3	7.38	5.91
Ferry Pickering	1.9	Nov. 15	1.7	3	2.7
French Kier	2.33	Nov. 15	1.55	—	6.15
Global Group	1.25	Nov. 29	—	2.25	—
James Halstead	2.5	Dec. 6	2.25	4	3.5
Ibstock Johnsen	1.5	Dec. 3	1.4	—	—
S. Jerome	0.84	Nov. 15	0.69	—	2.88
Kalon Group	0.8	Feb. 28	—	—	—
Marler Estates	3	Nov. 9	2	3	2
Mollins	2.2	Nov. 29	2.2	—	7.9
Nth. British Cam.	2	Nov. 11	1.5	—	6.3
Moran Tea Hlgs. 2nd int.	6j	Nov. 14	6	—	10

Dividends shown in pence per share except where otherwise stated. See equivalent after allowing for scrip issue. 1 On capital increase by rights and/or acquisition issues, 2 USM stocks, 3 Unquoted stock, 1 Making 11p so far in 18 months to June 30 1985. For 10 months.

Shandwick coming to USM

BY LUCY KELLAWAY

Shandwick, the third largest public relations group in the UK, is poised to join the USM later this month with a likely value of about £7m.

Shandwick will be the fourth company in its sector to be taken over by USM, following Good Relations, is fully listed, while two others, Valin Pollen and Addison Page, are quoted on the USM.

The company was founded by Mr Peter Gummer, brother of John Selwyn Gummer MP, in April 1974. Its first client was Mr Gummer's previous employer, the ICF; 11 years later Shandwick had a client list of 150 companies.

Three separate subsidiaries comprise the group: Shandwick Consultants, which specialises in financial corporate work; Shandwick PR, which handles brand publicity for consumer products, and Shandwick Communications, which is involved in high technology and fashion consultancy.

Financial PR accounts for about 40 per cent of the group's fee income which totalled £2.9m in the year to July 1985. Consumer PR makes up about 35 per cent with the balance filled by Shandwick Communications.

Mr Gummer prides the company on its ability to cope with "those problems which shake a business, like a takeover, or when the chairman leaves quite suddenly."

Shandwick acted for Powell Duffryn while it successfully fought off an approach from Hanson Trust. It worked for BTR during bids for Thomas Tilling and Dunlop, and more recently, helped in the abortive defence of Arthur Bell from a bid from Guinness. "We were brought in towards the end of that battle," notes Mr Gummer.

During the last few weeks Shandwick has won the business of the Football Association, whose image it will attempt to repair from the damage caused by football hooligans.

Unlike its competitors, Shandwick is solely engaged in public relations consultancy, although it is planning to branch out into related areas. A small amount of new money will be raised at the time of the float, which according to Mr Gummer will be used to "build the core business and extend horizontally into financial advertising and design."

Morgan Grenfell will be placing around 20 per cent of the shares of the company, more than half of which are to be sold by existing shareholders. Mr Gummer, who currently owns about 30 per cent will retain a controlling interest after the placing.

The prospectus will be published on October 17 and although the price has yet to be agreed upon, the shares are likely to be on an historic price earnings multiple in the low twenties.

Brokers to the issue are Rowe and Pitman.

French Kier

INTERIM RESULTS

J.C.S. Mott, FEng., F.I.C.E., F.I.S.T.C.E., Chairman reports on the six months to 30th June 1985

- * Group profit up 16% to £7.35m (1984 £6.33m)
- * Group turnover up 15% to £150m (1984 £130m)
- * Earnings per share up 18% to 8.5p (1984 7.2p)
- * Interim dividend increased to 2.33p (1984 1.55p) (payable 15th November 1985)
- * Encouragement expressed for full year

RESULTS			
(unaudited)	6 months to	6 months to	Year to
	30.6.85	30.6.84	31.12.84
Turnover	£150M	£130M	£327M
Profit before tax	£7.35M	£6.33M	£16.35M
Dividend per share	2.33p	1.55p	6.15p
Earnings per share	8.5p	7.2p	18.7p

(The audited profit and loss account for the year to 31st December 1984 is an extract from the latest published accounts which have been filed with the Registrar of Companies and which contain an unaudited audit report.)

French Kier Holdings
Public Limited Company
50 Epping New Road
Buckhurst Hill Essex IG8 5TH

FK works worldwide

MITCHELL COTTS

International Engineering, Transportation and Trading

1984/85 RESULTS (unaudited)

- * Profit before taxation up 11%
- * Earnings per share up by 25%
- * Dividends up from 4.00p to 4.25p

	Years ended 30th June	1985 2000	1984 2000
Turnover		366,980	376,876
Profit before Taxation		12,067	10,889
Profit after Taxation and Minorities		7,634	5,812
Earnings per Ordinary Share		10.02p	7.99p
Dividends per Ordinary Share		4.25p	4.00p

UK COMPANY NEWS

Martin Dickson on Carlton's bid approach to Thames Television

A very big mouthful to swallow

Carlton Communications, which is making a takeover bid for Thames Television, the largest independent contractor in the ITV network, has come a very long way in a very short time. In just a few years it has established itself as Britain's biggest television services group. Its shares have soared over the past three years from the equivalent of less than 100p to 800p, the price at which they were suspended yesterday, at the company's request, when it confirmed it was holding detailed discussions on a bid.

Thames' main shareholders are Thorn-EMI and British Electric Traction (BET), both of which would be happy to sell, provided the price is right—since the station does not fit in to what each company sees as its core activities.

Carlton, which has a market capitalisation of around £200m, employs some 650 people across a wide range of television-related activities, including the development and manufacture of advanced technology, the provision of television facilities and production and back-up services such as prop hire.

It began its life as a publicly quoted company in February 1983 when Michael Green, Carlton's chairman, and his brother David, obtained an official listing for their company with a reverse takeover of Fleet Street Letter, a shares tip-sheet.

They brought to the enlarged group companies engaged in

shopfitting, photography, exhibition design and television facilities, with much of the emphasis on the advertising work done by Carlton's photographic studios and laboratories. Since then, the main thrust of expansion has been into moving pictures and the technology needed to produce them.

The Fleet Street Letter and related financial publications are still part of the group, but a declining one in relation to total group revenue. Publishing now accounts for around 12 per cent of turnover.

Photography, exhibition and prop hire, account for some 30 per cent of turnover, through such companies as Carlton Fox Colour Laboratory (services for professional photographers, publishers and the advertising agency) and Carlton Sterling, a specialist shopfitter.

But the bulk of turnover and profits now comes from television activities, with internal growth complemented by a rapid series of acquisitions.

In August 1983, Carlton acquired for £18m the Moving Picture Company which, combined with Carlton Television, became the biggest independent video picture manipulation company in Europe. Early in 1984 it paid £2.9m for Video Time, which specialises in video film to tape transfers and "standard conversions"—re-jigging television pictures between European and U.S. transmission systems.

In its biggest deal to date, Carlton agreed last Christmas to



Mr. Michael Green, chairman of Carlton

buy Abekas, a U.S. company, for up to \$30m over five years. Abekas, which has bases in Reading and Foster City, California, makes high performance digital video products—a major television growth area, since the use of digital technology means that no matter how much an image is manipulated, there should be no loss of picture quality.

These acquisitions and internal growth have produced an annual average growth rate of more than 40 per cent in pre-tax profits over the past five years, to reach £5.5m in 1983-84, on turnover of £31.5m. Analysts are expect-

ing pre-tax profits of over £11m this year and possibly £15m next.

Thames, by comparison, produced pre-tax profits in the year to March of £8.7m (a £13.6m contribution from international sales more than offsetting a £4.8m loss on primary business) and had a turnover of £167.5m.

Thames, then, would be a very big mouthful for Carlton to swallow, but initial surprise in the City yesterday at its ambitions was later widely replaced by a feeling that the station could benefit from the kind of "hands on" approach likely to be provided by Mr Michael Green.

"He is a very impressive performer, with a clear grasp of what he wants to do and ability to communicate it," said one City analyst. "In building up Carlton, he has not put a foot wrong yet—it's a little unnerving."

Mr Green pointing to Thames' disappointing recent profits performance, believes a merger with Carlton can create a major new television force, combining Thames' programming skills with his company's management and technological resources.

In particular, he sees great scope for taking advantage of the rapid growth of the European satellite television market. "UK contractors cannot afford to ignore this trend," he said yesterday. "They are in a unique position to take advantage of it, with under-utilised production facilities and substantial stocks of high quality programming."

See Lex

Disposal costs Duffryn £6.5m

BY FRANK KANE

Powell Duffryn, the distribution, storage and engineering concern, is to incur a £6.5m loss on the sale of its depressed timber division to Meyer International, the UK's largest timber group.

It was announced yesterday that Meyer has agreed to buy the division for a total of £18.5m in cash for Powell Duffryn Timber, which on March 31 had net assets of £7.4m but owed intergroup debt of £17.1m. The money will be used by Powell to discharge that debt.

The shortfall—at £6.5m, some 5 per cent of shareholders' funds—will be treated as an extraordinary item in the accounts for the year ending March 31 1986.

Mr David Hubbard, Powell's finance director, said that the group had been thinking of pulling out of the timber business for some time, and that the sale

concentrate on the things that we are better at." He indicated that there had been a number of interested parties apart from Meyer.

The timber division last year returned trading profits of just £745,000 on turnover of £83m, suffering from a stagnant housing market and a significant loss of timber-frame housebuilding. Mr Hubbard said yesterday: "When you sell a business at the low stage of the cycle you can expect to get net asset value."

However, Mr Ron Groves, chairman of Meyer, said that there had been a significant improvement in profits at PDI during the current year, and the indications, based on management accounts, were for a profit of more than £1m before intergroup interest for the first half ended September 30.

Mr Groves said that the sale was a "strategic decision" to concentrate on the things that we are better at.

expected that profits will be at least maintained at that level and that PDI will cover its financing costs from the outset.

The acquisition would enable Meyer's timber and builders' merchant division to achieve immediately a substantial part of its current development programme, said Mr Groves. "It will also provide extra importing, merchandising and manufacturing facilities in certain areas which are important to the group."

He indicated that PDI would be nationalised and restructured, and that Meyer saw the opportunity for substantial economies of scale.

For Powell Duffryn, the disposal marks the near-completion of the programme of divestment from non-core activities which the company has followed in recent years.

No OEM offer from Tomkins

By Frank Kane

F. H. Tomkins, the fast-growing West Midlands engineer, has decided not to proceed with an offer for the Oxford-based OEM. The offer, which would give Tomkins the sole UK agent for the distribution and service of Triumph Adler office equipment, was made by Mr Gregory Hitchens, an announced last night that it had been unable to reach agreement with Triumph Adler in the UK, and was therefore no longer considering making an offer for OEM.

When Tomkins first announced its intention to bid, it made any offer conditional on securing the record of TA on taking over OEM's sole agency for its products "on terms that are satisfactory to the board of OEM."

The 250p per share offer would have valued OEM at £15.3m. Tomkins shares closed 3p down at 228p while OEM were unchanged at 228p.

Mr Hitchens said yesterday that it was a shame from his company's point of view that they could not agree.

Close Brothers lifts profits to £2.17m

Close Brothers Group, investment trust and merchant banker, formerly Safeguard Industrial Investments, increased pre-tax profits to £2.17m in the year to July 31 against a restated £1.36m for 10 months.

The final dividend is 4.75p (3.5p), making a total of 7.75p (5.5p for 10 months).

This was the first year of operations following the merger in August last year of Close Brothers Holdings and Safeguard Industrial Investments. The directors say prospects are good and they look forward to another successful year.

Tax charges were £794,000 (£419,000) and minorities took £15,000 (nil). There were no extraordinary credits (£22,000). Earnings per share were up from 2.25p to 10.82p.

For the purposes of comparison, financial statements based on management accounts have been used to consolidate the results of Close Brothers Holdings and Safeguard which had financial year-ends of June 30 and September 30 respectively.

Burnett sheds its 23% Brint stake

Burnett & Bainton, the coal and property group, currently in talks with its bankers concerning a long-term restructuring, has sold its entire holding of 800,000 shares in Brint Investments, the natural resources investment concern which is quoted on the USM.

The holding, which represented 23.2 per cent of Brint, was sold Wednesday after Burnett had received an approach for the shares. Brint shares closed unchanged at 115p last night.

It was also announced yesterday that Temple Investment and Finance has sold 250,000 Brint shares, and now holds 117m (30.1 per cent).

Former MS chief sells 21.5% stake

Mr Arthur Snipe, the founder and a former chairman of MS International, the Doncaster-based engineering group, has sold his entire shareholding of 5.15m shares—21.5 per cent—Most of the shares were placed with institutions while 155,000 were bought for trusts for which three directors act as trustees, MS said.

The company is not aware of any other shares held by Mr Snipe but a further 2.91m are held by other members of Mr Snipe's family.

Weak technology shares slow Baillie Gifford

AGAINST A background of continuing weakness for quoted technology stocks here and in America and a further fall in the dollar, the net asset value of Baillie Gifford Technology has fallen from 107.4p to 93.2p over the six months ended August 31 1985.

However, the holding in currency options provided some protection, against the fall in the dollar, the directors state in their interim report for the six months ended August 31 1985.

The BGT policy is to invest in companies in specific areas of high technology. In the six months the rate of investment of liquid balances has been slower than expected, as a

result income will be higher and it is likely that the dividend for the year will be at least the same as the 0.85p paid last time.

Earlier this year the directors said they were expecting a lower dividend for the year and warned that in future there may not be a payment.

In the half year gross investment income advanced from £130,000 to £385,000. After £101,000 (£30,000) the available revenue came to £150,000 (£46,000) for earnings of 1.36p (0.42p).

Full exercise of the outstanding warrants would not have resulted in a dilution of earnings or the asset value.

Heron in overseas move

Heron International, Mr Gerald Ronson's privately-owned property, engineering and financial services group, is to establish a new international holding company incorporated in the Netherlands.

Heron International NV, as the new company will be known, will be resident in the UK for tax purposes and Heron's head office will remain in north-west London.

The new company will hold all Heron's overseas interests

through two non-UK holding companies for U.S. and European operations. The U.S. interests will be held through Heron Corporation PLC.

This move reflects the growing proportion of total profits which come from overseas. In the year ended March 1985 £22.8m or 41 per cent of Heron's £55.5m operations came from outside the UK.

Mr Ronson said the Antilles was an "accepted domicile" offering flexible company law.

COMPANY NEWS IN BRIEF

PERKIN-ELMER, maker of scientific analytical instruments, raised pre-tax profits from £4.2m to £6.1m for the year ended June 30 1985. Sales climbed to £35.4m, against £26.5m, and after-tax figures came out at £3.57m (£2.66m). The company is a subsidiary of Perkin-Elmer Corporation of the U.S.

VITA PACIFIC, a 40 per cent owned Australian associate of British Via, reported lower taxable profits of £53.32m (£1.69m) for the year to end June 1985, compared with £63.75m.

NORTH BRITISH Canadian investment trust increased its net asset value to 249.5p a share in the six months to August 31, compared with 208.2p a year earlier. Gross investment income rose from £287,732 to £394,358 and net income to £232,611 (£215,882). Earnings per share were 3.45p (3.2p) and the interim dividend is 2p (1.5p).

FERRY PICKERING Group, the printing, packaging and publishing group, has lifted its pre-tax profits to £2.17m to £1.61m for the year ended June 30, 1985. The dividend is being lifted from 2.7p to 3p net, with a final 1.5p, and there is to be a 1-for-10 split.

Turnover in the year moved up £1.8m to £11.63m. After tax £583,000 (£393,000) and minorities £4,000 (£3,000), net attributable profit came to £583,000 (£393,000) from earnings of £585p (8.5p) per share.

WARD WHITE, which is making an agreed £18m takeover bid for Maynard's, has increased its stake in the company from 20.4 per cent to 29.9 per cent with the purchase of 468,000 shares at 400p a share.

BOARD MEETINGS

The following companies have notified dates at board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interim: Southwark, Caparo Industries, Caparo Properties, Christian International, Caparo, S. W. Farmer, Farnham and Harvey, Hunter, London and Continental Advertising, London and Edinburgh Trust, WNW Computers, Sarn, Salsbery Laboratories, Turf, C. and W. Walker.

Final: Finner Greenway, Lewins, Westminster and Country Properties.

FUTURE DATES

Interim: Oct 15
Air Cell Oct 15
Carlton Industries Oct 15
De La Rue Oct 15
Flight Refuelling Oct 15
Forward Technology Indus. Oct 15
Hawker Siddeley Oct 15
House of Lords Oct 15
Lawrence (Walter) Oct 15
Marlborough Property Oct 15
Mowlem (John) Oct 15
New England Properties Oct 15
Steel Bros. Oct 15
Toshiba Television Oct 15
UEI Oct 15

Final: Oct 28
BSC Capital

BASE LENDING RATES

A.B.N. Bank	11 1/2%	Hambros Bank	11 1/2%
Allied Dunbar & Co.	11 1/2%	Heritable & Gen. Trust	11 1/2%
Allied Irish Bank	11 1/2%	Hill Samuel	11 1/2%
American Express Bk.	11 1/2%	C. Hoare & Co.	11 1/2%
Henry Ansbacher	11 1/2%	Hongkong & Shanghai	11 1/2%
Amro Bank	11 1/2%	Johnson Matthey Bkrs.	11 1/2%
Associated Cap. Corp.	12%	Knowles & Co. Ltd.	12%
Banco de Bilbao	11 1/2%	Lloyds Bank	11 1/2%
Bank of America	11 1/2%	Edward Janson & Co.	11 1/2%
BCCI	11 1/2%	McAlister & Sons Ltd.	11 1/2%
Bank of Ireland	11 1/2%	Midland Bank	11 1/2%
Bank of Cyprus	11 1/2%	Morgan Grenfell	11 1/2%
Bank of India	11 1/2%	Mount Credit Corp. Ltd.	11 1/2%
Bank of Scotland	11 1/2%	National Bk. of Kuwait	11 1/2%
Banque Paribas	11 1/2%	National Giro Bank	11 1/2%
Barclays Bank	11 1/2%	National Westminster	11 1/2%
Beneficial Trust Ltd.	11 1/2%	Northern Bank Ltd.	11 1/2%
Brit. Bank of Ind. East	11 1/2%	Norwich Gen. Trust	11 1/2%
Brown Shipley	11 1/2%	People's Trust	12%
CL Bank Nederland	11 1/2%	PK Finance Ltd. (UK)	12%
Canada Permanent	11 1/2%	Provincial Trust Ltd.	12%
Cayzer Ltd.	11 1/2%	R. Raphael & Sons	11 1/2%
Cedar Holdings	12%	Roxburghs Guarantees	12%
Charterhouse Capital	11 1/2%	Royal Bank of Scotland	11 1/2%
Choulaton	11 1/2%	Royal Trust Co. Canada	11 1/2%
Citibank NA	11 1/2%	R. J. Schneider Wagg	11 1/2%
Citibank Savings	11 1/2%	Standard Chartered	11 1/2%
City Merchants Bank	11 1/2%	TCB	11 1/2%
Clydesdale Bank	11 1/2%	Trustee Savings Bank	11 1/2%
C. E. Costes & Co. Ltd.	12%	United Bank of Kuwait	11 1/2%
Comme. Bk. N. East	11 1/2%	United Arab Bank	11 1/2%
Consolidated Credits	11 1/2%	Westpac Banking Corp.	11 1/2%
Continental Trust Ltd.	11 1/2%	Whiteaway Ltd.	12%
Co-operative Bank	11 1/2%	Yorkshire Bank	11 1/2%
The Cyprus Popular Bk.	11 1/2%		
Dunlop Lawrie	11 1/2%		
R. T. Trust	12%		
Saxton Trust Ltd.	12%		
Financial & Gen. Sec.	11 1/2%		
First Nat. Fin. Corp.	12%		
First Nat. Sec. Ltd.	12%		
Robert Fleming & Co.	11 1/2%		
Robert Fraser & Ptns.	11 1/2%		
Grindlay Bank	11 1/2%		
Guinness Mahon	11 1/2%		

1-month deposits 8.50%, 3-month 9.50%, 6-month 10.50%, 12-month 11.50%. At call 12.00%. Demand deposits 8.00% and over 8.00% gross.

21-day deposits over £1,000 10.00%.

See Provincial Trust Ltd.

Demand dep. 8%, Mortgage 12%.

This announcement appears as a matter of record only.



Marubeni Corporation

U.S.\$75,000,000

7 3/8 per cent. Guaranteed Notes due 1992

with

Warrants

to subscribe for shares of common stock of Marubeni Corporation
Unconditionally and irrevocably guaranteed by

The Fuji Bank, Limited

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Citicorp Investment Bank Limited
Kleinwort, Benson LimitedFuji International Finance Limited
Union Bank of Switzerland (Securities) Limited

Bank of Tokyo International Limited

Algemene Bank Nederland N.V.

Daiwa Europe Limited

Dresdner Bank Aktiengesellschaft

IBJ International Limited

Morgan Guaranty Ltd

Morgan Stanley International

New Japan Securities Europe Limited

The Nikko Securities Co., (Europe) Ltd.

Nippon Kangyo Kakumaru (Europe) Limited

Nomura International Limited

J. Henry Schroder Wagg & Co. Limited

Société Générale

Swiss Bank Corporation International

The Taiyo Kobe Bank (Luxembourg) S.A.

Yasuda Trust Europe Limited

October 8, 1985

Introducing a new way to balance your foreign currency exposure.



Currency Options at CBOE.

The world's leading options exchange is now offering you a new way to manage your foreign currency exposure. The Chicago Board Options Exchange is now trading options on the world's leading currencies: British pound - French franc - German mark - Japanese yen - Swiss franc - Canadian dollar.

CBOE Currency Options offer an important advantage over all other currency options, too. European expiration. This allows for enhanced liquidity because options may be exercised only on the last trading day before expiration.

As the world leader in options, CBOE has consistently provided the depth and liquidity investors seek in a market. CBOE

pioneered listed options and offers years of experience in trading other exchanges can't match.

Find out today how Currency Options from CBOE can help you manage your foreign currency exposure. Options, like all investments, involve risks and are not for everyone. For important information on the use and risks of options, call The Options Exchange for the options disclosure document. For contract specifications and other information, please call (800) 332-CBOE in Illinois and outside the Continental U.S. call (312) 786-7405.



THE OPTIONS EXCHANGE

Arrow Capital N.V.

Established in Curacao (Netherlands Antilles)
This notice is important and requires your urgent attention

Notice is hereby given that on Friday, November 1, 1985 at 4 o'clock in the afternoon (local time) the Annual General Meeting of shareholders of the Company will be held at the offices of the Company, John B. Gorsiraweg & Willemstad, Curacao, Netherlands Antilles for the following purposes:

- 1) To waive the statutory requirements with regard to the period within which the Annual General Meeting should be held.
- 2) Report of the Managing Director on the business of the Company and the conduct of its affairs during the fiscal year ended September 30, 1984.
- 3) To approve the balance sheet and profit and loss account of the Company for the fiscal year ended September 30, 1984.
- 4) To approve the remuneration of the Managing Director and the members of the Advisory Board for the fiscal year ended September 30, 1984.
- 5) To grant the Managing Director and the members of the Advisory Board a discharge from their duties for the fiscal year ended September 30, 1984.
- 6) To elect the management of the Company for one year.
- 7) To elect the members of the Advisory Board of the Company for one year.
- 8) To appoint Independent Auditors for the ensuing year.
- 9) To transact any other business which may lawfully arise at the meeting.

The official agenda of the meeting together with copies of the audited balance sheet and profit and loss account may be obtained by all shareholders from the offices of the Company as well as from the offices of its sponsoring banks viz. N. M. Rothschild & Sons Limited, London; Pierson, Holding and Pierson N.V., Amsterdam; Banque Bruxelles Lambert S.A., Brussels; Banque Privée S.A., Geneva; Rothschild Bank A.G., Zurich and Banque Internationale à Luxembourg S.A., Luxembourg.

Holders of registered and bearer shares shall be entitled to vote at the meeting in person or by proxy. Holders of bearer shares or their proxy must produce their share certificate(s) or a voucher given by any of the Company's sponsoring banks stating that share certificate(s) in respect of the number of shares in the voucher have been deposited until the end of the meeting.

The Managing Director
Intimis Management Company N.V.

NOTICE TO SHAREHOLDERS

REPUBLIC HOLDING S.A. LUXEMBOURG

(Formerly TRADE DEVELOPMENT BANK HOLDING S.A.)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Shareholders of Republic Holding S.A. ("RH") will be held at l'Hôtel le Royal, 12 Boulevard Royal, Luxembourg, on October 29, 1985, at 2.30 p.m.

for the purpose of considering and voting on the following matters:

- 1 Decision to put Republic Holding S.A. in liquidation.
- 2 Appointment of Messrs. Jean Hoss, Roger Junod, C. G. Rodney Leach and Walter H. Weiner as Liquidators of Republic Holding S.A., each of them acting severally and individually.
- 3 Approval of the Liquidation Plan submitted by the Board of Directors.
- 4 Decision to maintain the Statutory Auditors' appointment in order to report on the Company's 1985 accounts to the Shareholders meeting to which the 1985 Financial Statements will be submitted for approval.
- 5 Miscellaneous.

By order of the Board,
Edmond J. Safra,
Chairman

NOTES

Any shareholder whose shares are in bearer form and who wishes to attend the Extraordinary General Meeting must produce a depositary receipt or present his share certificates to gain admission.

If he wishes to be represented at the meeting, he must lodge a proxy, duly completed, together with a depositary receipt at the registered office of RH at 13 Boulevard de la Foire, Luxembourg, not later than October 28, 1985 at 5 p.m. The shareholder may obtain the depositary receipt and if required, the form of proxy, from any of the banks listed below by lodging his share certificates at their office or by arranging for the bank by whom his certificates are held to notify any of the banks listed that shares are so held.

Any shareholder whose shares are registered will receive a notice of the Extraordinary General Meeting at his address on the register, together with a form of proxy for use at the meeting. The proxy should be lodged at RH's office in accordance with the above instructions. The remittance of the form of proxy will not preclude

- Manufacturers Hanover Limited
8 Princes Street, London EC2P 2EN (England)
- Banque Internationale à Luxembourg S.A.
2 Boulevard Royal, Luxembourg (Luxembourg)
- Manufacturers Hanover Bank Belgium
13 Rue de Ligne, 1000 Brussels (Belgium)
- Manufacturers Hanover Banque Nordique
20 Rue de la Ville-Évêque, 75008 Paris (France)
- Manufacturers Hanover Trust Company
Bockenheimer Landstrasse 51/53, Frankfurt (W. Germany)
- Manufacturers Hanover Trust Company
40 Wall Street, New York, N.Y. 10015 (U.S.A.)
- Republic National Bank of New York
452 Fifth Avenue, New York, N.Y. 10015 (U.S.A.)

Leisure Inv. profit surges and more growth expected

Leisure Investments, operator of smoker clubs and amusement centres, which joined the Unlisted Securities Market in June, raised pre-tax profits to £308,000 in the year to June 30 compared with £129,000 a year earlier.

The directors say the company's performance is encouraging and they expect growth to continue this year, trading in the first three months confirms this expectation.

They say they look forward to announcing the opening of more large smoker clubs this year. In addition the company is involved in the development stage of a number of big projects in the leisure industry.

There is no dividend but the directors say they look forward to declaring an interim this year.

Turnover for the year grew from £1.9m to £2.5m, giving operating profits of £238,000 (£238,000). Depreciation costs were £227,000 (£148,000) and interest payable £109,000 (£83,000). Associates took £19,000 (nil).

Tax charges were £91,000 (£21,000) and there was an extraordinary debit of £34,000 (£44,000 credit), mostly relating to a loss on the disposal of shares in Riley Leisure.

There were no dividends paid to Lennards Rinks compared with £30,000 last year before it merged with Leisure Investments.

Earnings per 10p share were 1.92p against 0.73p.

Marler dividend up as asset value soars 93%

Marler Estates, property investor and developer, recorded revenue, after tax and minority, down to £507,569 in the year to March 25 against £788,033 last time on turnover up from £2.58m to £3m.

However, net assets increased by 93 per cent to £12.61m—equivalent to 277.54p (143.72p) a share.

In view of this increase, says the company, it is raising the final dividend to 3p.

Stamford Bridge Stadium, Chelsea, owned by a 70.25 per cent subsidiary, has been valued by Savills at £12m subject to the existing tenancy, which expires in August 1989, and the granting of planning permission to redevelop it. Such permission was granted on July 24 and on the same day Savills valued it, with vacant possession, at £18m.

Operating income for the year rose from £1.02m to £1.76m. Pre-tax revenue of £648,464 (£528,847). Tax charges were £121,092 (£40,866).

Earnings of 0.90 share on the realised surplus were down from 33.06p to 24.95p and on revenue profits from 20.04p to 10.94p.

UK COMPANY NEWS

Global unchanged at £0.31m but current trading buoyant

Global Group, meat and meat products concern, failed to achieve the increase in 1984-85 profits predicted by the board in January. Pre-tax profits for the year to May 31 1985 were virtually unchanged at £312,000, against £311,000, on turnover up from £24.21m to £26.58m.

The directors are confident, however, that the investments made and the steps taken to strengthen the group's infrastructure will be rewarded in the current year. Trading levels at present are buoyant.

After tax of £150,000 (£119,000) earnings per 10p share of this USM company were stated lower at 4.1p (3.4p) on a weighted average basis. The final dividend is 1.25p for a net total of 2.85p.

A substantial increase in administration expenses was incurred, partly arising out of the acquisitions and investments in the period. Global is taking steps to control levels of expenses and expects them to be proportionately lower in the current year.

International trading conditions have proved difficult in the period and significant orders anticipated from one of the group's major non-EEC customers did not materialise.

The group also experienced disputes in relation to certain goods purchased from EEC intervention stocks and suffered attributable losses in respect of BMG Commodities amounting to £27,000 in its first full year of operation. The situation of BMG, however, has since improved.

Results also reflected the significant trade investments made and related costs incurred and provision of facilities to services the higher levels of turnover, now being achieved in all the group's activities.

Global (France) Alimentaire, had a successful year, despite significant start-up costs which have also been reflected in the group's results. The directors consider that prospects for the current year are excellent and expect it to make a significant contribution in the current year.

Considerable investments have been made in establishing a manufacturing division, by the acquisition of interests in Nash Foods and Peakburgers.

A further related acquisition is being negotiated, which will result in the group having interests in a more comprehensive product range.

Peakburgers is making a significant contribution to group pre-tax profits after finance charges and amortisation of goodwill. The directors anticipate that the manufacturing activities as a whole will provide a valuable contribution to the group's results for the current year.

Molins sees material increase in year profit

BENEFITS of the restructuring are beginning to show through at Molins, maker of machinery for the tobacco and corrugated board industries which is the subject of a management buy-out. And for the current year the directors are forecasting a "material increase" in profits over the £5m pre-tax of 1984.

Sir Harry Moore, chairman, says the formal offer is awaited from the consortium of institutional investors and senior executives of the company. The consortium has said that the offer would exceed £70p per share.

After carry-over of the restructuring affected the first half of 1985. Despite no interest charges this time, the profit before tax fell from £2.9m to £2.5m, with tobacco accounting for £1.7m (£2.8m) and corrugated board for £300,000 (£300,000).

A further £1.2m of tobacco markets generally have not improved, but the group books for most of the group's UK factories extensive steel plant machinery, market demand has maintained its improvement particularly in the U.S.

In corrugated board, the market demand has been maintained in the U.S. and minorities and preference dividend £100,000 (same), the distributable profit for the half year came to £2m (£1.8m), equal to 8.5p (8.2p) per share. The interim dividend is held at 2.25p net.

First half boost for Cannon Street

Cannon Street Investments, an investment holding company, which fell victim to the secondary banking crisis of 1974, raised pre-tax profits to £14,000 in the six months to June 30 against £32,000 last time.

Current trends are encouraging, says Mr Bill Hishop, chairman, and full-year results are expected to show a significant increase on last year. The bulk of profits are earned in the latter part of the year.

The company, floated on the Unlisted Securities Market in 1974, lifted turnover from £5.0m to £5.32m, producing operating profits of £301,000 (£204,000). Loan interest charges were £46,000 (£172,000) and tax took £7,000 (nil). Earnings per share were 1.15p (0.25p).

There were extraordinary charges of £120,000 (nil) relating to the issue of £1m convertible preference shares in April and the £1.4m bid for the company from Mr Hishop.

He says that, although net assets have increased only marginally because of the extraordinary charges, a revaluation of some property has resulted in a £438,000 surplus.

APPOINTMENTS

Barclays deputy chairman

Mr Derek Kelly, a vice-chairman of BARCLAYS BANK, has been appointed a deputy chairman from January 1, 1986 on the retirement of Mr J. H. Hishop. Mr Kelly remains a Barclays director. Mr Andrew Buxton, while remaining a vice-chairman of Barclays Bank, will succeed Mr Kelly as chairman of Barclays Merchant Bank.

Mr Graham J. Margot has been appointed an executive director of HONG KONG SECURITIES COMPANY of Hong Kong.

Mr Roy Dorey has retired as director of the CLOTHING AND FOOTWEAR MANUFACTURING VIKING PACKAGING, a subsidiary of the Seven Holdings Group. He was a production manager with Metal Box Flexible Packaging.

Mr John Streising has been appointed managing director of ZICAID. He joins from Daisy Systems.

Mr Alexander Ledingham will be retiring as chairman of THE CITY OF ABERDEEN LAND ASSOCIATION at the annual meeting on October 31. He will be succeeded by Mr Geoffrey Ball, chief executive. Mr Ledingham will remain on the board.

SELTECH INTERNATIONAL, operating division of Selkirk Communications, has appointed Mr Dan Anco as managing director.

Mr Mervyn Windsor has been appointed non-executive chairman of EALING ELECTRO-OPTICS. He will retire as director in charge of finance at Pilkington Brothers on October 10. Professor Christopher Deakin has been appointed a non-executive director. In January 1984 he was appointed Pilkington Professor of Applied Optics at Imperial College, London.

JEFFERSON SMURFIT GROUP has appointed Mr James O'Dwyer as a director. He is a senior partner of Arthur Cox & Co. solicitors, Dublin.

Mr Peter Krausgar, chairman of the EAE Group, has become chairman of its subsidiary, MINTEL PUBLICATIONS.

W. & F. C. BONHAM & SONS has appointed Mr Michael Karp to the newly-created post of deputy managing director.

DEVITT GROUP has appointed Mr B. J. Philbrick as managing director of Devitt (Life & Pensional). Mr C. C. Tickling, a director of Devitt (North America) and Mr L. G. Gossage, a director of Devitt (Energy).

Mr Michael Walker has been appointed managing director and Mr Charles Chevasse and Mr Barry Holmes assistant managing directors of BOVIS INTER-

Mr Peter Holt, a member of the TSB central board, a trustee of TSB England & Wales, and chairman of TSB Yorkshire Regional Board, has been appointed to the board of UFT HOLDINGS, a subsidiary company of the TSB Group. He is senior partner of the Sheffield-based firm of chartered surveyors Endon Lockwood & Riddle. Mr Geoffrey Hughes, also a member of the TSB central board and chairman of TSB's eastern region, has been appointed chairman of the regional chairman's group of TSB.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Mr Alan Felgenbaum has been appointed finance director of J. & J. FASHIONS.

Mr Eric Clark, managing director of Plessey Telecommunications and Office Systems is leaving to join the board of BICC, and to become managing director of BICC Cables from December 1. He will be succeeded by Mr David Dey who has joined FLESSKEY from IBM Europe.

Delta Flies To 100 U.S.A. Cities. Coast-To-Coast-To-Coast.

From New York to Texas, from Florida to California, Delta flies you just about anywhere in the U.S.A.

Catch Delta's daily nonstops from London to Atlanta, where you can make easy Delta-to-Delta connections to 100 cities across the U.S.A.

Delta also has frequent daily service

from the New York and Boston gateways to cities across the U.S.A., including 15 major resorts in Florida. Plus New Orleans, Dallas/Ft. Worth, Houston.

Delta also has nonstop flights from Frankfurt and Paris to Atlanta.

And from Frankfurt to Dallas/Ft. Worth, gateway to the U.S.A. West.

Call your Travel Agent. Or call Delta in London on (01) 668-0935. Or call Delta in Frankfurt on 069 25 60 30. Or call Delta in Paris at 1-335-4080.

Delta Ticket Offices are at 140 Regent Street, London W1R 6AT, Friedenstrasse 7, 6000 Frankfurt/Main and 24 Boulevard des Capucines, Paris.

Schedules are subject to change without notice.

Delta Gets You There



BUSINESS LAW

Disputes: keep within your budget

By A. H. HERMANN, Legal Correspondent



This is the fourth in a two-week series on the resolution of business disputes. The concluding article will appear tomorrow.

THE FIRST article in this series was about how to avoid disputes; the second about litigation and the third about arbitration. Litigation and arbitration going beyond the mere determination of facts and quality of goods or services—for example, when involving the interpretation of a contract or other legal issues—are enormously expensive. Before going on to discuss other methods of dispute resolution, one may well pause a little to consider ways and means of reducing the legal costs.

The first thing, of course, is to attempt a settlement. Indeed, the great majority of legal proceedings never come to trial. Even so, the cost may be very high, as the second article pointed out. Costs can be avoided, or at least kept within reasonable limits by refusing to be involved in legal issues at an early stage of the dispute. Solicitors love to impress their clients and to frighten the other party by starting their letters, "We are advised by leading counsel."

Do not be impressed or frightened. The two leading counsels on either side of the dispute tend to have opposed views about the rights of the case—and one of them is bound to be wrong. It may happen that both are proved wrong by the judge. Before getting entangled in the legal web, one should seek a businesslike solution, keeping in mind that second-best achieved by agreement is better than the best resulting from litigation.

When behind the wheel of a car, most business executives behave reasonably and give way rather than be killed while insisting on their rights. Behind their desks, however, they can be let into ruining their business by unsuccessful litigation.

Lawyers being only human, they cannot be expected to put over the entrance of their door a big warning: "You can lose if you win." For this reason, it may pay to turn first to a wise man who can neither gain nor lose by the advice he gives you. This may be a person with business experience, an arbitrator, a retired judge, a peer, or even a grudging lawyer, as long as it is made clear to him that he will not be asked to represent you in any litigation or arbitration.

In a big company, with its own legal department, it should be the task of the in-house lawyer to assess the likely outcome of litigation against

the expected legal costs and business. Under the heading of business costs include not only managerial time but, in the first place, the likely disruption of business relations with the other party to the dispute and with third parties who may be deterred from doing business with someone who appears to be unnecessarily litigious.

In short, to act "on legal advice" may safeguard your legal position but still be bad for business. In the end, the executive has to make his own decision, bearing in mind that only part of the legal costs and none of the business costs can be recovered in successful litigation or arbitration.

If all other avenues seem to be closed and litigation becomes inevitable, one should apply to the ordinary criteria of cost-effectiveness. Are the solicitors normally looking after your company affairs also the best to handle litigation? They know you and your business better

simple, there is no need to pay the astronomical fees commanded by the leaders of the profession. His famous barrister, whose diary is not so overcrowded, will be able to give your affairs more thought and bring the litigation faster to a conclusion.

Whoever you choose as your lawyers, try to subject them to budget discipline. No cost spared to win may be an expression of grandeur, or of a rather vulnerable ego, but it transgresses the fiduciary duties of a company director. When planning a legal action with your solicitors, ask for a list of persons who will be involved, the time they are likely to spend on your case, and the costs at which their fees are calculated. Look on a budget for the separate stages: pre-trial, trial and appeal. Treat litigation as any other speculative venture, and you will not go beyond which you will not go, and on the reaching of which you are prepared to cut your losses. If you are refused a budget, try another law firm.

Arbitration involving legal issues and taking place in England is now often more expensive than litigation. The possibility of an appeal to the Commercial Court makes the lawyers view it as a rehearsal for a court trial. While the solicitors are inclined to leave no stone unturned (including most of the wrong ones), barristers cannot resist the charm of their own voice and arbitration is soon turned into a witnessless litigation. Why should it be more expensive? Not only because you have to pay the arbitrator while the judge is

opened the possibility of returning arbitration to what it originally was a common-sense resolution of a dispute by one or two experienced and impartial businessmen. It enables the parties to agree, after the arbitration started, that there should be no appeal to the court on issues of law. And in the case of international arbitration (other than maritime, insurance and commodities arbitration) such an exclusion agreement can be made earlier and can be made part of the arbitration clause.

An agreement excluding appeal on issues of law will still allow the judicial view on grounds of the arbitrator's "misconduct" — if he exceeds his jurisdiction or denies one of the parties a fair hearing, for example — but it will allow arbitrators or the arbitration tribunal to make an award in accordance with what is felt to be fair, even if it does not correspond strictly to the law. The protagonists of judicial review of awards argue that an exclusion agreement "degrades" arbitration to conciliation. It does not, as the award remains binding and enforceable. They also argue that it deprives the contract of certainty as the arbitrator can ignore the strict rules of the law and modify it in accordance with equity and his conscience.

These fears are misplaced. Contradictory decisions by the courts constitute a greater danger to legal certainty than do arbitrators. The long, drawn-out battle between the Commercial Court and the superior courts over the application of the 1979 Act is the best example. Judges also feel sometimes obliged, "with great regret," to hand down judgments which they consider unjust even should. For judicial uniformity of decisions, judges differ frequently. Three different answers were recently given by the Commercial Court to the question whether insurance contracts made by an arbitrator are binding on him.

No businessman, sitting as an arbitrator, will have any doubt how to answer such questions if he is free to be guided by his sense of justice. To give him such freedom by excluding the possibility of appeal on issues of law, will not only reduce the costs but also lead to a more satisfactory award.

Acting on legal advice and thus resorting to litigation may be bad for business. But if you go to arbitration, agree with the other party that there will be no appeal.

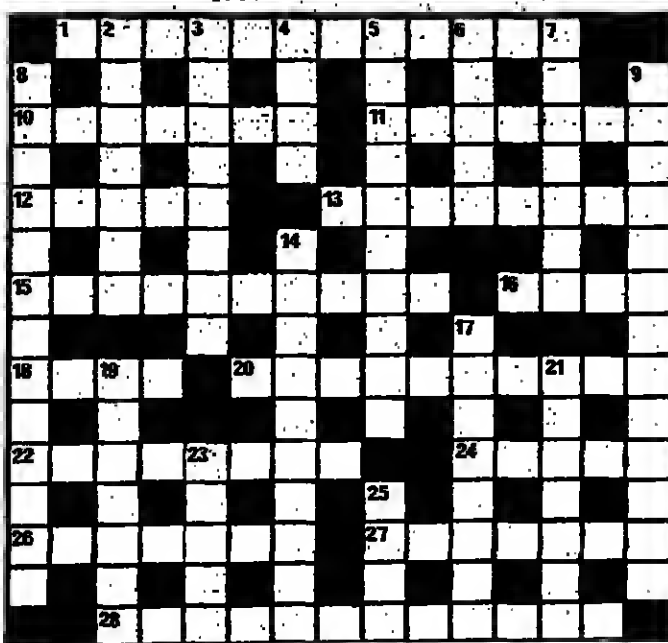
off basis. On the other hand, they may not have the expertise and will be running to counsel with every single letter, causing delays and costs.

Different criteria apply to the choice of counsel. Some solicitors tend to go for "the best," that is the most expensive, as they think you can afford. This may not be good for you. If the legal issues are fairly

paid by the taxpayer, an even more important consideration may be the arbitrator's inability to keep the lawyers in check with the same authority as a High Court judge. He must fear that by prodding the solicitors too much, and by cutting counsel's speeches, he will displease those on whom he depends for future references.

The 1979 Arbitration Act

F.T. CROSSWORD PUZZLE No. 5,841



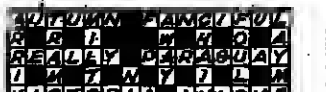
ACROSS

- 1 Lad warns about disturbing flask before conflict (9, 3)
- 10 Right a double vice marshal for greed (7)
- 11 Desert, sailor and no going back (7)
- 12 Twisted heel about for blood-letting (5)
- 13 Guards train for battle (8)
- 15 Find shelter mount battle (6, 4)
- 16 Censor communications when the tide turns (4)
- 18 Measures electricity for the Queen (4)
- 20 Desert a post to a different site (10)
- 22 Long running battle (8)
- 24 Hit and run takes two (5)
- 26 Flirt driving but under par nonetheless (3, 4)
- 27 Not particular who conducts battle (7)
- 28 Posing in poised array for the enemy (8, 4)

DOWN

- 4 A retreat in the middle east (4)
- 5 Doctor meets a mother about girl in RADA (5, 5)
- 6 Work looms if we go before a victory (3)
- 7 Caught by a fusillade, a right fiddle diddle (7)
- 8 Childish errors means pistols at dawn (5, 5)
- 9 Nuclear war in Antarctica (3, 2, 3, 5)
- 14 Collections for weapon and ammunition (4-6)
- 17 Disturbed nights as battle waged (8)
- 19 Girl holds French in battle (7)
- 21 Overlooked eroding winds (7)
- 23 Soldiers march (5)
- 25 Opposing Irish or Scots from Agincourt (4)

Solution to Puzzle No. 5,840



CONTRACTS

Power supply for North Sea platform

MATTHEW HALL ENGINEERING (SCOTLAND) has been awarded a project management contract by Britoil for the proposed power project for the Bessie field in Block 7/30. The contract, worth over £100,000, covers design, detailed engineering, procurement, fabrication, installation, hook-up and commissioning, involving construction of a 33 KV power supply from the national grid via subsea cable to the platform. The design stage is due for completion in 1986. The facilities are expected to be operational by the end of that year.

UNIVERSAL PIPE COATERS, Immingham, has won a £2m contract to carry out anti-corrosion and concrete wetting coatings on about 105 km (65 miles) of line pipe for a new gas pipeline to be installed in the Thames estuary. The contract was awarded by Salford UK which was commissioned by the Hants. Richfield (Arco) to design and lay the new pipeline. Universal Pipe Coaters, a company jointly owned by Associated British Ports Holdings and Humbersea Sea and Land Services (itself jointly owned by Powell Duffryn and Intercontinental), has been working on the contract in November, and expects to have it completed by February 1986.

RAIFOUR BEATTY CONSTRUCTION has been awarded a contract valued at over £1.8m for repairs and resurfacing to the 125 between junctions 7 and 9. The contract, placed by Merseyside County Council, is for completion by early December. Ralfour Beatty Building has been awarded a third contract for work at Aintree, following construction of a new stand and refurbishment of the damage caused by the fire. The contract, valued at £282,000, involves general structural and environmental improvements including stripping and rebuilding the main stand roof. The contract is to be completed by the end of March 1986 in time for the Grand National.

Contracts worth more than £2m have been awarded to WILLIAM TAYLOR, a member of the Aberdeen Construction Group. Included is an order placed by the Western Isles Islands Council for reconstruction of the Braigh sea wall, Stormoy. The year-long contract worth about £284,000, involves reconstructing 900 metres of sea wall with sheet piling and reinforced concrete facing to protect the Stormoy to Point road. The council has also awarded Tawse a year-long contract worth about £494,000 for reconstruction of about 2 km of road, with associated drainage and ancillary works, between Stormoy and Uig. Work awarded in the Aberdeen area includes a contract

worth almost £727,000 for site preparation involving bulk excavation, drainage and associated roadworks in connection with the proposed Asda Supermarket at Fortcherry, a contract worth about £800,000 awarded by Grampian Regional Council for laying 9.5 km of water main between reservoirs at Farnhill and Pitlochry, with construction of miscellaneous reservoir works, and scheduled to take about a year to complete; and a British Airways Authority contract worth almost £190,000 for reconstruction in reinforced concrete of the east apron at Aberdeen Airport. Tawse has also been awarded a contract valued at almost £208,000, by SAI for the construction of a 700 mm dia outfall pipeline 300 metres long on the foreshore near its Leith works.

Orders worth about £5.5m have been awarded to TARMAC. The largest, at about £2m, is for a service area on the A34 at Sutton Scotney, Hampshire, for Trust House Forte (UK). It is scheduled for completion in eight months. In Glasgow, a £248,000 contract has been awarded for water, gas and drainage mains at Leam Road, Glasgow, by Glasgow City Council. Other projects include providing additional office accommodation in an existing building at Glasgow, by Glasgow City Council; a £248,000 contract for water, gas and drainage mains at Leam Road, Glasgow, by Glasgow City Council; a £248,000 contract for water, gas and drainage mains at Leam Road, Glasgow, by Glasgow City Council.

A £200,000 contract for the construction of storm overflow works near Pontefract, West Yorkshire, has been awarded to TAYLOR WOODROW, of Darlington, by Yorkshire Water. Work, which is due for completion in September 1986, involves building a storm overflow system at Bondgate, two kilometres north-east of Pontefract. This entails stream diversion works, embankments, a retaining wall, footpaths and landscaping as well as 400 metres of concrete pipework, ducts, manholes and associated works. Inlet works will also be built at Sowgate Lane Pumping Station including an outfall bay, pipework, electricity substation, road and fencing.

AUTHORISED UNIT TRUSTS

Abbey Unit Tr. Mgmt. (a)

Unit	Price	Dividend
Abbey Unit Tr. Mgmt. (a)	1.00	0.00
Abbey Unit Tr. Mgmt. (b)	1.00	0.00
Abbey Unit Tr. Mgmt. (c)	1.00	0.00
Abbey Unit Tr. Mgmt. (d)	1.00	0.00
Abbey Unit Tr. Mgmt. (e)	1.00	0.00
Abbey Unit Tr. Mgmt. (f)	1.00	0.00
Abbey Unit Tr. Mgmt. (g)	1.00	0.00
Abbey Unit Tr. Mgmt. (h)	1.00	0.00
Abbey Unit Tr. Mgmt. (i)	1.00	0.00
Abbey Unit Tr. Mgmt. (j)	1.00	0.00
Abbey Unit Tr. Mgmt. (k)	1.00	0.00
Abbey Unit Tr. Mgmt. (l)	1.00	0.00
Abbey Unit Tr. Mgmt. (m)	1.00	0.00
Abbey Unit Tr. Mgmt. (n)	1.00	0.00
Abbey Unit Tr. Mgmt. (o)	1.00	0.00
Abbey Unit Tr. Mgmt. (p)	1.00	0.00
Abbey Unit Tr. Mgmt. (q)	1.00	0.00
Abbey Unit Tr. Mgmt. (r)	1.00	0.00
Abbey Unit Tr. Mgmt. (s)	1.00	0.00
Abbey Unit Tr. Mgmt. (t)	1.00	0.00
Abbey Unit Tr. Mgmt. (u)	1.00	0.00
Abbey Unit Tr. Mgmt. (v)	1.00	0.00
Abbey Unit Tr. Mgmt. (w)	1.00	0.00
Abbey Unit Tr. Mgmt. (x)	1.00	0.00
Abbey Unit Tr. Mgmt. (y)	1.00	0.00
Abbey Unit Tr. Mgmt. (z)	1.00	0.00

Abbey Unit Tr. Mgmt. (a)

Unit	Price	Dividend
Abbey Unit Tr. Mgmt. (a)	1.00	0.00
Abbey Unit Tr. Mgmt. (b)	1.00	0.00
Abbey Unit Tr. Mgmt. (c)	1.00	0.00
Abbey Unit Tr. Mgmt. (d)	1.00	0.00
Abbey Unit Tr. Mgmt. (e)	1.00	0.00
Abbey Unit Tr. Mgmt. (f)	1.00	0.00
Abbey Unit Tr. Mgmt. (g)	1.00	0.00
Abbey Unit Tr. Mgmt. (h)	1.00	0.00
Abbey Unit Tr. Mgmt. (i)	1.00	0.00
Abbey Unit Tr. Mgmt. (j)	1.00	0.00
Abbey Unit Tr. Mgmt. (k)	1.00	0.00
Abbey Unit Tr. Mgmt. (l)	1.00	0.00
Abbey Unit Tr. Mgmt. (m)	1.00	0.00
Abbey Unit Tr. Mgmt. (n)	1.00	0.00
Abbey Unit Tr. Mgmt. (o)	1.00	0.00
Abbey Unit Tr. Mgmt. (p)	1.00	0.00
Abbey Unit Tr. Mgmt. (q)	1.00	0.00
Abbey Unit Tr. Mgmt. (r)	1.00	0.00
Abbey Unit Tr. Mgmt. (s)	1.00	0.00
Abbey Unit Tr. Mgmt. (t)	1.00	0.00
Abbey Unit Tr. Mgmt. (u)	1.00	0.00
Abbey Unit Tr. Mgmt. (v)	1.00	0.00
Abbey Unit Tr. Mgmt. (w)	1.00	0.00
Abbey Unit Tr. Mgmt. (x)	1.00	0.00
Abbey Unit Tr. Mgmt. (y)	1.00	0.00
Abbey Unit Tr. Mgmt. (z)	1.00	0.00

Abbey Unit Tr. Mgmt. (a)

Unit	Price	Dividend
Abbey Unit Tr. Mgmt. (a)	1.00	0.00
Abbey Unit Tr. Mgmt. (b)	1.00	0.00
Abbey Unit Tr. Mgmt. (c)	1.00	0.00
Abbey Unit Tr. Mgmt. (d)	1.00	0.00
Abbey Unit Tr. Mgmt. (e)	1.00	0.00
Abbey Unit Tr. Mgmt. (f)	1.00	0.00
Abbey Unit Tr. Mgmt. (g)	1.00	0.00
Abbey Unit Tr. Mgmt. (h)	1.00	0.00
Abbey Unit Tr. Mgmt. (i)	1.00	0.00
Abbey Unit Tr. Mgmt. (j)	1.00	0.00
Abbey Unit Tr. Mgmt. (k)	1.00	0.00
Abbey Unit Tr. Mgmt. (l)	1.00	0.00
Abbey Unit Tr. Mgmt. (m)	1.00	0.00
Abbey Unit Tr. Mgmt. (n)	1.00	0.00
Abbey Unit Tr. Mgmt. (o)	1.00	0.00
Abbey Unit Tr. Mgmt. (p)	1.00	0.00
Abbey Unit Tr. Mgmt. (q)	1.00	0.00
Abbey Unit Tr. Mgmt. (r)	1.00	0.00
Abbey Unit Tr. Mgmt. (s)	1.00	0.00
Abbey Unit Tr. Mgmt. (t)	1.00	0.00
Abbey Unit Tr. Mgmt. (u)	1.00	0.00
Abbey Unit Tr. Mgmt. (v)	1.00	0.00
Abbey Unit Tr. Mgmt. (w)	1.00	0.00
Abbey Unit Tr. Mgmt. (x)	1.00	0.00
Abbey Unit Tr. Mgmt. (y)	1.00	0.00
Abbey Unit Tr. Mgmt. (z)	1.00	0.00

Abbey Unit Tr. Mgmt. (a)

Unit	Price	Dividend
Abbey Unit Tr. Mgmt. (a)	1.00	0.00
Abbey Unit Tr. Mgmt. (b)	1.00	0.00
Abbey Unit Tr. Mgmt. (c)	1.00	0.00
Abbey Unit Tr. Mgmt. (d)	1.00	0.00
Abbey Unit Tr. Mgmt. (e)	1.00	0.00
Abbey Unit Tr. Mgmt. (f)	1.00	0.00
Abbey Unit Tr. Mgmt. (g)	1.00	0.00
Abbey Unit Tr. Mgmt. (h)	1.00	0.00
Abbey Unit Tr. Mgmt. (i)	1.00	0.00
Abbey Unit Tr. Mgmt. (j)	1.00	0.00
Abbey Unit Tr. Mgmt. (k)	1.00	0.00
Abbey Unit Tr. Mgmt. (l)	1.00	0.00
Abbey Unit Tr. Mgmt. (m)	1.00	0.00
Abbey Unit Tr. Mgmt. (n)	1.00	0.00
Abbey Unit Tr. Mgmt. (o)	1.00	0.00
Abbey Unit Tr. Mgmt. (p)	1.00	0.00
Abbey Unit Tr. Mgmt. (q)	1.00	0.00
Abbey Unit Tr. Mgmt. (r)	1.00	0.00
Abbey Unit Tr. Mgmt. (s)	1.00	0.00
Abbey Unit Tr. Mgmt. (t)	1.00	0.00
Abbey Unit Tr. Mgmt. (u)	1.00	0.00
Abbey Unit Tr. Mgmt. (v)	1.00	0.00
Abbey Unit Tr. Mgmt. (w)	1.00	0.00
Abbey Unit Tr. Mgmt. (x)	1.00	0.00
Abbey Unit Tr. Mgmt. (y)	1.00	0.00
Abbey Unit Tr. Mgmt. (z)	1.00	0.00

Abbey Unit Tr. Mgmt. (a)

Unit	Price	Dividend
Abbey Unit Tr. Mgmt. (a)	1.00	0.00
Abbey Unit Tr. Mgmt. (b)	1.00	0.00
Abbey Unit Tr. Mgmt. (c)	1.00	0.00
Abbey Unit Tr. Mgmt. (d)	1.00	0.00
Abbey Unit Tr. Mgmt. (e)	1.00	0.00
Abbey Unit Tr. Mgmt. (f)	1.00	0.00
Abbey Unit Tr. Mgmt. (g)	1.00	0.00
Abbey Unit Tr. Mgmt. (h)	1.00	0.00
Abbey Unit Tr. Mgmt. (i)	1.00	0.00
Abbey Unit Tr. Mgmt. (j)	1.00	0.00
Abbey Unit Tr. Mgmt. (k)	1.00	0.00
Abbey Unit Tr. Mgmt. (l)	1.00	0.00
Abbey Unit Tr. Mgmt. (m)	1.00	0.00
Abbey Unit Tr. Mgmt. (n)	1.00	0.00
Abbey Unit Tr. Mgmt. (o)	1.00	0.00
Abbey Unit Tr. Mgmt. (p)	1.00	0.00
Abbey Unit Tr. Mgmt. (q)	1.00	0.00
Abbey Unit Tr. Mgmt. (r)	1.00	0.00
Abbey Unit Tr. Mgmt. (s)	1.00	0.00
Abbey Unit Tr. Mgmt. (t)	1.00	0.00
Abbey Unit Tr. Mgmt. (u)	1.00	0.00
Abbey Unit Tr. Mgmt. (v)	1.00	0.00
Abbey Unit Tr. Mgmt. (w)	1.00	0.00
Abbey Unit Tr. Mgmt. (x)	1.00	0.00
Abbey Unit Tr. Mgmt. (y)	1.00	0.00
Abbey Unit Tr. Mgmt. (z)	1.00	0.00

Abbey Unit Tr. Mgmt. (a)

Unit	Price	Dividend
Abbey Unit Tr. Mgmt. (a)	1.00	0.00
Abbey Unit Tr. Mgmt. (b)	1.00	0.00
Abbey Unit Tr. Mgmt. (c)	1.00	0.00
Abbey Unit Tr. Mgmt. (d)	1.00	0.00
Abbey Unit Tr. Mgmt. (e)	1.00	0.00
Abbey Unit Tr. Mgmt. (f)	1.00	0.00
Abbey Unit Tr. Mgmt. (g)	1.00	0.00
Abbey Unit Tr. Mgmt. (h)	1.00	0.00
Abbey Unit Tr. Mgmt. (i)	1.00	0.00
Abbey Unit Tr. Mgmt. (j)	1.00	0.00
Abbey Unit Tr. Mgmt. (k)	1.00	0.00
Abbey Unit Tr. Mgmt. (l)	1.00	0.00
Abbey Unit Tr. Mgmt. (m)	1.00	0.00
Abbey Unit Tr. Mgmt. (n)	1.00	0.00
Abbey Unit Tr. Mgmt. (o)	1.00	0.00
Abbey Unit Tr. Mgmt. (p)	1.00	0.00
Abbey Unit Tr. Mgmt. (q)	1.00	0.00
Abbey Unit Tr. Mgmt. (r)	1.00	0.00
Abbey Unit Tr. Mgmt. (s)	1.00	0.00
Abbey Unit Tr. Mgmt. (t)	1.00	0.00
Abbey Unit Tr. Mgmt. (u)	1.00	0.00
Abbey Unit Tr. Mgmt. (v)	1.00	0.00
Abbey Unit Tr. Mgmt. (w)	1.00	0.00
Abbey Unit Tr. Mgmt. (x)	1.00	0.00
Abbey Unit Tr. Mgmt. (y)	1.00	0.00
Abbey Unit Tr. Mgmt. (z)	1.00	0.00

Abbey Unit Tr. Mgmt. (a)

Unit	Price	Dividend
Abbey Unit Tr. Mgmt. (a)	1.00	0.00
Abbey Unit Tr. Mgmt. (b)	1.00	0.00
Abbey Unit Tr. Mgmt. (c)	1.00	0.00
Abbey Unit Tr. Mgmt. (d)	1.00	0.00
Abbey Unit Tr. Mgmt. (e)	1.00	0.00
Abbey Unit Tr. Mgmt. (f)	1.00	0.00
Abbey Unit Tr. Mgmt. (g)	1.00	0.00
Abbey Unit Tr. Mgmt. (h)	1.00	0.00
Abbey Unit Tr. Mgmt. (i)	1.00	0.00
Abbey Unit Tr. Mgmt. (j)	1.00	0.00
Abbey Unit Tr. Mgmt. (k)	1.00	0.00
Abbey Unit Tr. Mgmt. (l)	1.00	0.00
Abbey Unit Tr. Mgmt. (m)	1.00	0.00
Abbey Unit Tr. Mgmt. (n)	1.00	0.00
Abbey Unit Tr. Mgmt. (o)	1.00	0.00
Abbey Unit Tr. Mgmt. (p)	1.00	0.00
Abbey Unit Tr. Mgmt. (q)	1.00	0.00
Abbey Unit Tr. Mgmt. (r)	1.00	0.00
Abbey Unit Tr. Mgmt. (s)	1.00	0.00
Abbey Unit Tr. Mgmt. (t)	1.00	0.00</

[illegible]

Financial data table with multiple columns containing company names, stock prices, and financial metrics. The table is organized into several sections, including 'Life Funds', 'Fixed Income Funds', 'Equity Funds', and 'Money Funds'. Each section lists various funds and their corresponding values.

Investment
 12/25/83 12/26/83 12/27/83 12/28/83 12/29/83 12/30/83 12/31/83 1/1/84 1/2/84 1/3/84 1/4/84 1/5/84 1/6/84 1/7/84 1/8/84 1/9/84 1/10/84 1/11/84 1/12/84 1/13/84 1/14/84 1/15/84 1/16/84 1/17/84 1/18/84 1/19/84 1/20/84 1/21/84 1/22/84 1/23/84 1/24/84 1/25/84 1/26/84 1/27/84 1/28/84 1/29/84 1/30/84 1/31/84 2/1/84 2/2/84 2/3/84 2/4/84 2/5/84 2/6/84 2/7/84 2/8/84 2/9/84 2/10/84 2/11/84 2/12/84 2/13/84 2/14/84 2/15/84 2/16/84 2/17/84 2/18/84 2/19/84 2/20/84 2/21/84 2/22/84 2/23/84 2/24/84 2/25/84 2/26/84 2/27/84 2/28/84 2/29/84 2/30/84 3/1/84 3/2/84 3/3/84 3/4/84 3/5/84 3/6/84 3/7/84 3/8/84 3/9/84 3/10/84 3/11/84 3/12/84 3/13/84 3/14/84 3/15/84 3/16/84 3/17/84 3/18/84 3/19/84 3/20/84 3/21/84 3/22/84 3/23/84 3/24/84 3/25/84 3/26/84 3/27/84 3/28/84 3/29/84 3/30/84 3/31/84 4/1/84 4/2/84 4/3/84 4/4/84 4/5/84 4/6/84 4/7/84 4/8/84 4/9/84 4/10/84 4/11/84 4/12/84 4/13/84 4/14/84 4/15/84 4/16/84 4/17/84 4/18/84 4/19/84 4/20/84 4/21/84 4/22/84 4/23/84 4/24/84 4/25/84 4/26/84 4/27/84 4/28/84 4/29/84 4/30/84 5/1/84 5/2/84 5/3/84 5/4/84 5/5/84 5/6/84 5/7/84 5/8/84 5/9/84 5/10/84 5/11/84 5/12/84 5/13/84 5/14/84 5/15/84 5/16/84 5/17/84 5/18/84 5/19/84 5/20/84 5/21/84 5/22/84 5/23/84 5/24/84 5/25/84 5/26/84 5/27/84 5/28/84 5/29/84 5/30/84 5/31/84 6/1/84 6/2/84 6/3/84 6/4/84 6/5/84 6/6/84 6/7/84 6/8/84 6/9/84 6/10/84 6/11/84 6/12/84 6/13/84 6/14/84 6/15/84 6/16/84 6/17/84 6/18/84 6/19/84 6/20/84 6/21/84 6/22/84 6/23/84 6/24/84 6/25/84 6/26/84 6/27/84 6/28/84 6/29/84 6/30/84 7/1/84 7/2/84 7/3/84 7/4/84 7/5/84 7/6/84 7/7/84 7/8/84 7/9/84 7/10/84 7/11/84 7/12/84 7/13/84 7/14/84 7/15/84 7/16/84 7/17/84 7/18/84 7/19/84 7/20/84 7/21/84 7/22/84 7/23/84 7/24/84 7/25/84 7/26/84 7/27/84 7/28/84 7/29/84 7/30/84 7/31/84 8/1/84 8/2/84 8/3/84 8/4/84 8/5/84 8/6/84 8/7/84 8/8/84 8/9/84 8/10/84 8/11/84 8/12/84 8/13/84 8/14/84 8/15/84 8/16/84 8/17/84 8/18/84 8/19/84 8/20/84 8/21/84 8/22/84 8/23/84 8/24/84 8/25/84 8/26/84 8/27/84 8/28/84 8/29/84 8/30/84 8/31/84 9/1/84 9/2/84 9/3/84 9/4/84 9/5/84 9/6/84 9/7/84 9/8/84 9/9/84 9/10/84 9/11/84 9/12/84 9/13/84 9/14/84 9/15/84 9/16/84 9/17/84 9/18/84 9/19/84 9/20/84 9/21/84 9/22/84 9/23/84 9/24/84 9/25/84 9/26/84 9/27/84 9/28/84 9/29/84 9/30/84 10/1/84 10/2/84 10/3/84 10/4/84 10/5/84 10/6/84 10/7/84 10/8/84 10/9/84 10/10/84 10/11/84 10/12/84 10/13/84 10/14/84 10/15/84 10/16/84 10/17/84 10/18/84 10/19/84 10/20/84 10/21/84 10/22/84 10/23/84 10/24/84 10/25/84 10/26/84 10/27/84 10/28/84 10/29/84 10/30/84 10/31/84 11/1/84 11/2/84 11/3/84 11/4/84 11/5/84 11/6/84 11/7/84 11/8/84 11/9/84 11/10/84 11/11/84 11/12/84 11/13/84 11/14/84 11/15/84 11/16/84 11/17/84 11/18/84 11/19/84 11/20/84 11/21/84 11/22/84 11/23/84 11/24/84 11/25/84 11/26/84 11/27/84 11/28/84 11/29/84 11/30/84 12/1/84 12/2/84 12/3/84 12/4/84 12/5/84 12/6/84 12/7/84 12/8/84 12/9/84 12/10/84 12/11/84 12/12/84 12/13/84 12/14/84 12/15/84 12/16/84 12/17/84 12/18/84 12/19/84 12/20/84 12/21/84 12/22/84 12/23/84 12/24/84 12/25/84 12/26/84 12/27/84 12/28/84 12/29/84 12/30/84 12/31/84

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

Box 273 St. Peter, Ga.	448.28750		
Yamaha Dynamic Mst G SA			
324 Boulder Ropl, Leesport			
Adamsky Trc	\$10.46	+0.07	
Dynamic Corp Fd	\$9.48	+0.14	
Henry James Fund			
Shawmut Partners Seltman Fund Ltd.			
American Fd	6.91	0.64	
Investment Seltman Co	5.92	0.40	
American Seltman Co	5.92	1.51	
Investment Seltman Co	5.92	1.51	

British Fund	10.62	111	100	2.02		
European Fund	22.84			4.70		
Global Fund	10.00	100		2.34		
Money Fund	99.3			2.34		
International Fund	10.00	100		2.34		
European Fund	10.00	100		2.34		
Asian Investor Co.	11.7	100		0.08		
Equity & Mortgage	20.0	100		0.08		
Global Fund	10.00	100		0.08		
Global Fund	10.00	100		0.08		
Saving Fund Inc.	99.0			0.08		
Deutschebank Currency				0.08		
Trust Company				0.08		

[illegible]

Springour Kamp-Gee Mngt., Jersey
 1, Charing Cross St. Hefter, Jersey. 0534 75743
 SEC Capital Fund 359.9
 SEC Income Fund 275 6.77
 Gilt Bond 104.51
 Securities Selection Ltd.
 Bermuda Hse., St. Peter's Church, St. George's, Guyana.
 0481 26258

Security Assurance International Ltd. P.O. Box 1276, Hamilton 5, Bermuda. For Fresh Prices Call UK 0287 41854	55303	Adams & Co. plc 22 Charlotte St, Edinburgh, EH2 4DF Full Service Accountants Call London Accountants 11-25	Gross Net CAR 1st C	83%-229 848 8.06 11.93
Sequal International, Travel Plus Mass Motors Rental Cars Ltd 100 Wilkes de Costa Ltd, 400 Wilkins Street, London. ECA		Altkem Motors 30 City Road, EC1Y 2AY. Treasury Dept Ind. Inc. Dept.		01-638 6078 8.91 12.56 8.32 12.56
See Vaux Van BUREAU, (0800) 054-8243				

Seven Arrows Fund NV			Bank of Scotland		
62 de Ruyterlaan, Caracas, Netherlands Antilles			38 Thamesmeade St, EC2P 2EH,		01-428 8064
NAV 6%	\$106.73	-	Money Info Europe 404-11100	0-28	12 158 00
Singer & Friedlander Ltd. Agents.			Barchys Prime Account		
21 Great St. Nicholas Place EC2M 4HR	01-423 3000		PO Box 125, Northampton	0604 258919	
Tel/Fax 1-423-3000	\$7.76	+0.60	Web Int. Clearing	0-28	12 351 00
Standardised International Ltd			Britannia Investment Services Ltd.		
PO Box 44, Portree, G.L. ORE1 7TJ			29 Pinstock Church, EC2M 5QL	01-585 7771	

International Inc.	155.92	6.20	254	Color Atlas	111.33	5.82	12.34	Mo
International Acc.	155.94	6.31	254	Charterhouse Japhet plc				
Societe Generale Merchant Bank plc				1 Pateroster Row, EC4M 7HJ				
60 Greenwich St, London EC3V 9ET.	145.62	46.21		Sydney	111.33	12.54		
Fr Second Banknote Co. 174-75, 76, 762-04 - 770-01				U.S. Dollar	7.25	7.50		
Standard Bank Fund Managers				German Mark	2.25	2.54		
119, Cannon St.	145.62	46.21	Artery Wong	Swiss Franc	2.25	2.54		
Gold Fund	101.300	1.994	676	Japanese Yen	5.00	5.12		
				Kimberly Savin				

[illegible]

OPTIONS

P	Marks & Spencer ..
28	Midland Bk.
26	NEI

Page	Section
13	Polly Peck
33	Racial Elect

30	Sears
32	TI
17	Tesco

18	Unkover
23	Vickers
13	

MEPC
Ponkey

20	Brit Petroleum
18	Burmah Oil
24	Chardwell

27	Triclar
27	Ultramar
60	peines

of Options traded is given on
a Stock Exchange Report Page

COMMODITIES AND AGRICULTURE

Soviets not likely to buy more wheat from France

PARIS — The Soviet Union will purchase no more French wheat before the end of this year, according to M Jean Baptiste Boumgar, chairman of Intergrain, the leading French exporter of grain to the Soviets.

A large Soviet harvest this year has reduced the country's import requirements, he said.

M. Boumgar was speaking at the end of last week's official visit to France by Mr Mikhail Gorbachev, the Soviet leader.

Soviet purchases of French wheat totalled 5.5m tonnes in the year ended July 31, figures from the French national intervention office, ONIC, showed.

French Trade Ministry officials said Mr Gorbachev was told during his visit that France was a substantial increase in grain exports to the Soviet Union over the coming year to redress a widening overall trade deficit.

France had a Ffr 5.2bn trade deficit with the Soviet Union in 1984, up from 4.3bn in 1983.

Trade Ministry officials said large grain shipments to the Soviet Union in the first six months of this year briefly brought trade almost into balance.

But since June French grain exports have dried up, and the trade deficit, fuelled by rising imports of Soviet oil and gas, has been rising again at more than Ffr 1bn a month, with no improvement in sight.

But the size of the 1985 Soviet wheat harvest has put a question mark over its likely purchases from this year's French crop.

According to U.S. Agricultural Department estimates, last month the Soviet wheat harvest this year will reach about 83m tonnes, 10m more than last year and 4m more than in 1984.

France is to provide Ffr 500m worth of soft loans and compensation and defer social security payments to aid farmers affected by the country's worst drought since 1976, M. Henri Nallet, the Agriculture Minister, said yesterday.

He ruled out a special drought tax, saying the Government would finance relief from its current budget.

He said the Government would also reschedule repayments falling due in the fourth quarter of 1985 and the first quarter of 1986 on loans from Credit Agricole, the state-owned bank, to some farmers in the worst-hit areas.

Reuter

Canada short of high grade grain

BY DIANA SMITH IN LISBON

UNUSUALLY COOL, wet weather on the prairies has severely damaged Canada's spring wheat crop in the past few weeks.

A spokesman for the Canadian Wheat Board in Winnipeg said that "there's definitely going to be a shortage of high grade, high protein wheat." The Board has stopped taking orders for high grade wheat from Canadian millers, and expects exports of the two highest grades, mainly to Japan, the Soviet Union and Britain, to decline sharply this season.

Canada is the second largest wheat exporter after the U.S., accounting for more than a fifth of world shipments. Statistics Canada said in its latest export forecast, published last Friday, that the country's wheat harvest will rise by 4.8 per cent this year to 22.2m tonnes. Spring wheat is expected to account for 18.7m tonnes but

according to estimates by the Saskatchewan Wheat Pool, only 23 per cent of this year's harvest in the province will be number one grade, compared with an average of 60 per cent in the past five years.

A grain trader in Winnipeg said the damage was heaviest in Manitoba and northern areas of Saskatchewan and Alberta. The wet conditions have made harvesting difficult. Although harvesting has normally been completed by this time of year, about two-thirds of this year's crop is estimated to be still in the fields.

Export prices have risen markedly in the past month or two, with the Wheat Board currently quoting number one red spring wheat, the highest grade, at around C\$250 (£130) a tonne at St. Lawrence ports, up from C\$20 a tonne in early August.

Nicaragua prepares for annual coffee battle

BY TIM COONE IN MANAGUA

THE NICARAGUAN Government and its country's coffee-growers are gearing themselves up for their annual battle for the coffee harvest.

Goffee accounts for some 30 to 35 per cent of Nicaragua's total export earnings and from November to February for the past two years the harvest has been a target of U.S.-backed rightist guerrillas with the aim of disrupting the economy and undermining the left-wing Sandinista Government.

According to the agriculture minister, Sr Jaime Wheelock, a harvest of 1.1m quintales is expected this year (1 quintal equals 100 lbs).

Growers' prices and pickers' wages are being increased to stimulate production. Dollar incentives are also to be paid to growers, who will get \$5 per quintal of export quality beans as an added incentive to ensure all the crop is harvested.

The coffee harvest each year has become an enormous logistical and military operation. Some 20,000 students and Government office workers are to be mobilised to form special coffee picking brigades from November onwards to make up for the labour shortage which has plagued the harvest for the

past six years. About 500 trucks and assorted vehicles are being specially imported, along with thousands of tyres and spare parts to avoid the repetition of the transport bottlenecks which contributed considerably to last year's harvest losses. Government officials are also trying to ensure sufficient food supplies reach the plantations to feed the thousands of extra workers needed during the harvest.

Most critical of all, the army has begun planning its military operations to provide adequate protection to the plantations and pickers during the harvest. Although the guerrillas last year did not succeed in overrunning any plantations during the harvest, they nonetheless burnt down a number of processing plants, and prevented the harvest from taking place along some parts of the frontier with Honduras.

The final figure for the harvest last year is thought to have been only 900,000 quintales although official Government figures put it considerably higher as high as 1.4m quintales.

Ivory Coast indicates cocoa crop reduction

THE IVORY Coast's 1985/86 cocoa crop is likely to be below last year's figures published by the Ivorian Chamber of Commerce suggests reports.

The Chamber puts the main crop at between 450,000 and 470,000 tonnes. It gives no comparison with 1984/85, but adding a typical mid-crop of around 50,000 tonnes would still give a total significantly below last year's estimated by London dealer Gil and Duffus at around 545,000 tonnes.

The prospective harvest total is still regarded by the Chamber as good, however, while 1984/85 output is described as "impressive".

The Ivorian coffee crop will be similar last year's 270,000 tonnes, the Chamber forecasts.

THE 1985 potato crop in the Netherlands is expected to total 4.3m tonnes, nearly 11 per cent up on last year's, according to official estimates released yesterday.

London traders said the prospect of a large Dutch surplus has dampened expectations of a shortage of good quality potatoes in the UK.

LONDON METAL EXCHANGE WAREHOUSE STOCKS (Changes during week ending last Friday)	
	(tonnes)
Aluminium	+3,750 to 197,925
Copper	+100 to 34,325
Nickel	+1,240 to 4,004
Tin	+1,140 to 35,420
Zinc	+715 to 33,400
Silver	+90,000 to 55,044,000

REFINED LEAD and zinc production in non-Socialist countries between January and August this year was higher at 2.685m and 3.274m tonnes respectively compared with 2.631m and 3.277m in the same period of 1984, latest figures from the International Lead and Zinc Study Group show.

This followed August output of 325,000 tonnes of lead and 392,000 of zinc.

Lead mine output of 198,000 tonnes in August took the 1985 total so far to 1.648m, compared with 1.559m in the same period of 1984. The August figure for zinc was 1.900 tonnes taking the 1985 total to 3.375m (3.339m in January/August 1984).

TEA PRICES were unchanged overall at yesterday's weekly London auction with quality grade unquoted, medium at 143p a kilo and low medium at 109p a kilo. The 28,555 packages up for sale included the first new season of Bangladesh offerings, for which demand was "only fair," according to the Tea Brokers' Association. Best and good medium East African teas were up to 5p a kilo dealer, the association said, while the market for Central African teas was "fair" and prices firm for the small quantity of Ceylon teas on offer. Oshane teas, of which 1,200 packages were offered, were well supported at steady prices.

LONDON MARKETS

COPPER PRICES built on last week's gains on the London Metal Exchange with cash higher grade metal ending the day at 293.50 a tonne. Early strength was influenced by "borrowing" (buying cash and selling forward) dealers said. Further gains in the afternoon were prompted by strength in the New York market. The firm tone was also encouraged by news that the recent decline in LME warehouse stocks of copper continued last week. Among the soft (nonmetal) commodities the biggest mover was sugar.

LME prices supplied by Associated Metal Trading

ALUMINIUM	
	Unofficial + or -
	per tonne
Cash	711.2
3 months	713.4
6 months	715.6
Official closing (am): Cash 709.35	
(1985-86), three months 725.0	
6 months 725.5	
Final Kibb close: 725.1, turnover 21,875 tonnes	

COPPER	
	Unofficial + or -
	per tonne
Cash	293.5
3 months	295.5
6 months	297.5
Official closing (am): Cash 293.5	
(1985-86), three months 295.5	
6 months 297.5	
Final Kibb close: 293.1, turnover 21,875 tonnes	

LEAD	
	Unofficial + or -
	per tonne
Cash	177.5
3 months	179.5
6 months	181.5
Official closing (am): Cash 177.5	
(1985-86), three months 179.5	
6 months 181.5	
Final Kibb close: 177.1, turnover 2,500 tonnes	

NICKEL	
	Unofficial + or -
	per tonne
Cash	1,511.0
3 months	1,513.0
6 months	1,515.0
Official closing (am): Cash 1,511.0	
(1985-86), three months 1,513.0	
6 months 1,515.0	
Final Kibb close: 1,511.0, turnover 2,100 tonnes	

ZINC	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

TIN	
	Unofficial + or -
	per tonne
Cash	1,511.0
3 months	1,513.0
6 months	1,515.0
Official closing (am): Cash 1,511.0	
(1985-86), three months 1,513.0	
6 months 1,515.0	
Final Kibb close: 1,511.0, turnover 2,100 tonnes	

GOLD	
	Unofficial + or -
	per ounce
Cash	375.50
3 months	377.50
6 months	379.50
Official closing (am): Cash 375.50	
(1985-86), three months 377.50	
6 months 379.50	
Final Kibb close: 375.50, turnover 2,100 tonnes	

SILVER	
	Unofficial + or -
	per ounce
Cash	177.5
3 months	179.5
6 months	181.5
Official closing (am): Cash 177.5	
(1985-86), three months 179.5	
6 months 181.5	
Final Kibb close: 177.1, turnover 2,500 tonnes	

COCOA	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

MEAT	
	Unofficial + or -
	per kilo
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

WHEAT	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

BARLEY	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

RUBBER	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

SUGAR	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

COTTON	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

HEATING OIL	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

CRUDE OIL	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

NATURAL GAS	
	Unofficial + or -
	per tonne
Cash	1,151.0
3 months	1,153.0
6 months	1,155.0
Official closing (am): Cash 1,151.0	
(1985-86), three months 1,153.0	
6 months 1,155.0	
Final Kibb close: 1,151.0, turnover 2,100 tonnes	

INDICES

FINANCIAL TIMES
Oct 4 Oct 5 1985
250.69 251.62 254.72 258.75
(Base: July 1 1982=100)

REUTERS
Oct 7 Oct 8 1985
1701.8 1699.4 1695.1
(Base: September 15 1981=100)

DOW JONES
Oct 7 Oct 8 1985
114.18 114.08 114.07
(Base: September 1 1981=100)

MAIN PRICE CHANGES
In tonnes unless otherwise stated.
Oct 7 + or -
Month

METALS	
	Oct 7 + or -
Aluminium	£1100
Copper	£293.50
Gold	£375.50
Nickel	£1511.00
Silver	£177.50
Zinc	£1151.00

COCOA	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

CRUDE OIL	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

NATURAL GAS	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

WHEAT	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

BARLEY	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

RUBBER	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

SUGAR	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

COTTON	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

HEATING OIL	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

CRUDE OIL	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

NATURAL GAS	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

WHEAT	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

BARLEY	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

RUBBER	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

SUGAR	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

COTTON	
	Oct 7 + or -
Cash	£1151.00
3 months	£1153.00
6 months	£1155.00

HEATING OIL	
-------------	--

1985		High	Low	Price	+ or -	Div	Yld
						Crr (%)	(%)
229	11% Amer Medical Int S1	12 1/2	12 1/2	77 1/2	77 1/2	72 1/2	4.8
230	11% Amer Int S1	15	15	81 1/2	81 1/2	75 1/2	5.0
231	11% Amer Int S1	15	15	81 1/2	81 1/2	75 1/2	5.0
232	16 Am Int	16 1/2	16 1/2	81 1/2	81 1/2	75 1/2	5.0
47a	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
180	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
181	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
182	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
183	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
184	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
185	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
186	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
187	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
188	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
189	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
190	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
191	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
192	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
193	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
194	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
195	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
196	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
197	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
198	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
199	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
200	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
201	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
202	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
203	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
204	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
205	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
206	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
207	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
208	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
209	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
210	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
211	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
212	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
213	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
214	16% Amer Int S1	20 1/2	20 1/2	81 1/2	81 1/2	75 1/2	5.0
215	16% Amer Int S1	20 1/2	20 1/2				

397	291 CPC Intl. 25c	321	101	51.00	49
25	101 CPC Intl. 25c	101	101	51.00	49
191	111 CPC Intl. 25c	111	101	51.00	49

[illegible]

144	82yr Can Pacific H.....	838	prst +4	148d	-	31
361	32yr Op Apr Delv 1100.	361	nd	9	-	110
191	131 Can Pacific Encls	125		9	-	31

105	700	Wichita River	9150	-7	200	17
106	312	Wichita Springs	4500	0	0	17
107	312	Wichita Falls	4500	0	0	17
108	312	Wichita Falls	4500	0	0	17
109	312	Wichita Falls	4500	0	0	17
110	312	Wichita Falls	4500	0	0	17
111	312	Wichita Falls	4500	0	0	17
112	312	Wichita Falls	4500	0	0	17
113	312	Wichita Falls	4500	0	0	17
114	312	Wichita Falls	4500	0	0	17
115	312	Wichita Falls	4500	0	0	17
116	312	Wichita Falls	4500	0	0	17
117	312	Wichita Falls	4500	0	0	17
118	312	Wichita Falls	4500	0	0	17
119	312	Wichita Falls	4500	0	0	17
120	312	Wichita Falls	4500	0	0	17
121	312	Wichita Falls	4500	0	0	17
122	312	Wichita Falls	4500	0	0	17
123	312	Wichita Falls	4500	0	0	17
124	312	Wichita Falls	4500	0	0	17
125	312	Wichita Falls	4500	0	0	17
126	312	Wichita Falls	4500	0	0	17
127	312	Wichita Falls	4500	0	0	17
128	312	Wichita Falls	4500	0	0	17
129	312	Wichita Falls	4500	0	0	17
130	312	Wichita Falls	4500	0	0	17
131	312	Wichita Falls	4500	0	0	17
132	312	Wichita Falls	4500	0	0	17
133	312	Wichita Falls	4500	0	0	17
134	312	Wichita Falls	4500	0	0	17
135	312	Wichita Falls	4500	0	0	17
136	312	Wichita Falls	4500	0	0	17
137	312	Wichita Falls	4500	0	0	17
138	312	Wichita Falls	4500	0	0	17
139	312	Wichita Falls	4500	0	0	17
140	312	Wichita Falls	4500	0	0	17
141	312	Wichita Falls	4500	0	0	17
142	312	Wichita Falls	4500	0	0	17
143	312	Wichita Falls	4500	0	0	17
144	312	Wichita Falls	4500	0	0	17
145	312	Wichita Falls	4500	0	0	17
146	312	Wichita Falls	4500	0	0	17
147	312	Wichita Falls	4500	0	0	17
148	312	Wichita Falls	4500	0	0	17
149	312	Wichita Falls	4500	0	0	17
150	312	Wichita Falls	4500	0	0	17
151	312	Wichita Falls	4500	0	0	17
152	312	Wichita Falls	4500	0	0	17
153	312	Wichita Falls	4500	0	0	17
154	312	Wichita Falls	4500	0	0	17
155	312	Wichita Falls	4500	0	0	17
156	312	Wichita Falls	4500	0	0	17
157	312	Wichita Falls	4500	0	0	17
158	312	Wichita Falls	4500	0	0	17
159	312	Wichita Falls	4500	0	0	17
160	312	Wichita Falls	4500	0	0	17
161	312	Wichita Falls	4500	0	0	17
162	312	Wichita Falls	4500	0	0	17
163	312	Wichita Falls	4500	0	0	17
164	312	Wichita Falls	4500	0	0	17
165	312	Wichita Falls	4500	0	0	17
166	312	Wichita Falls	4500	0	0	17
167	312	Wichita Falls	4500	0	0	17
168	312	Wichita Falls	4500	0	0	17
169	312	Wichita Falls	4500	0	0	17
170	312	Wichita Falls	4500	0	0	17
171	312	Wichita Falls	4500	0	0	17
172	312	Wichita Falls	4500	0	0	17
173	312	Wichita Falls	4500	0	0	17
174	3					

BANKS, HP & LEASING

1989	Low	High	Stock	Price	% Chg	Div Yld	Chg/Share	P/E
100	442	542	542	35	100	1.07	107.36	3.1
101	442	542	542	35	100	1.07	107.36	3.1
102	442	542	542	35	100	1.07	107.36	3.1
103	442	542	542	35	100	1.07	107.36	3.1
104	442	542	542	35	100	1.07	107.36	3.1
105	442	542	542	35	100	1.07	107.36	3.1
106	442	542	542	35	100	1.07	107.36	3.1
107	442	542	542	35	100	1.07	107.36	3.1
108	442	542	542	35	100	1.07	107.36	3.1
109	442	542	542	35	100	1.07	107.36	3.1
110	442	542	542	35	100	1.07	107.36	3.1
111	442	542	542	35	100	1.07	107.36	3.1
112	442	542	542	35	100	1.07	107.36	3.1
113	442	542	542	35	100	1.07	107.36	3.1
114	442	542	542	35	100	1.07	107.36	3.1
115	442	542	542	35	100	1.07	107.36	3.1
116	442	542	542	35	100	1.07	107.36	3.1
117	442	542	542	35	100	1.07	107.36	3.1
118	442	542	542	35	100	1.07	107.36	3.1
119	442	542	542	35	100	1.07	107.36	3.1
120	442	542	542	35	100	1.07	107.36	3.1
121	442	542	542	35	100	1.07	107.36	3.1
122	442	542	542	35	100	1.07	107.36	3.1
123	442	542	542	35	100	1.07	107.36	3.1
124	442	542	542	35	100	1.07	107.36	3.1
125	442	542	542	35	100	1.07	107.36	3.1
126	442	542	542	35	100	1.07	107.36	3.1
127	442	542	542	35	100	1.07	107.36	3.1
128	442	542	542	35	100	1.07	107.36	3.1
129	442	542	542	35	100	1.07	107.36	3.1
130	442	542	542	35	100	1.07	107.36	3.1
131	442	542	542	35	100	1.07	107.36	3.1
132	442	542	542	35	100	1.07	107.36	3.1
133	442	542	542	35	100	1.07	107.36	3.1
134	442	542	542	35	100	1.07	107.36	3.1
135	442	542	542	35	100	1.07	107.36	3.1
136	442	542	542	35	100	1.07	107.36	3.1
137	442	542	542	35	100	1.07	107.36	3.1
138	442	542	542	35	100	1.07	107.36	3.1
139	442	542	542	35	100	1.07	107.36	3.1
140	442	542	542	35	100	1.07	107.36	3.1
141	442	542	542	35	100	1.07	107.36	3.1
142	442	542	542	35	100	1.07	107.36	3.1
143	442	542	542	35	100	1.07	107.36	3.1
144	442	542	542	35	100	1.07	107.36	3.1
145	442	542	542	35	100	1.07	107.36	3.1
146	442	542	542	35	100	1.07	107.36	3.1
147	442	542	542	35	100	1.07	107.36	3.1
148	442	542	542	35	100	1.07	107.36	3.1
149	442	542	542	35	100	1.07	107.36	3.1

74	First Nat. Fin. 10p.	133	+2	—	—	—	9.4
181	First Pacific 10p.	187	—	0p 41c	1.6	25.0	2.5

44	Gough (T) Brs. 50	35	11	12
45	Gunnery Pool 69	69	14	22
46	Harlow (T) Brs. 41	41	22	18.7
47	Hawthorn 35	35	11	12
48	Hawthorn 35	35	11	12
49	Hawthorn 35	35	11	12
50	Hawthorn 35	35	11	12
51	Hawthorn 35	35	11	12
52	Hawthorn 35	35	11	12
53	Hawthorn 35	35	11	12
54	Hawthorn 35	35	11	12
55	Hawthorn 35	35	11	12
56	Hawthorn 35	35	11	12
57	Hawthorn 35	35	11	12
58	Hawthorn 35	35	11	12
59	Hawthorn 35	35	11	12
60	Hawthorn 35	35	11	12
61	Hawthorn 35	35	11	12
62	Hawthorn 35	35	11	12
63	Hawthorn 35	35	11	12
64	Hawthorn 35	35	11	12
65	Hawthorn 35	35	11	12
66	Hawthorn 35	35	11	12
67	Hawthorn 35	35	11	12
68	Hawthorn 35	35	11	12
69	Hawthorn 35	35	11	12
70	Hawthorn 35	35	11	12
71	Hawthorn 35	35	11	12
72	Hawthorn 35	35	11	12
73	Hawthorn 35	35	11	12
74	Hawthorn 35	35	11	12
75	Hawthorn 35	35	11	12
76	Hawthorn 35	35	11	12
77	Hawthorn 35	35	11	12
78	Hawthorn 35	35	11	12
79	Hawthorn 35	35	11	12
80	Hawthorn 35	35	11	12
81	Hawthorn 35	35	11	12
82	Hawthorn 35	35	11	12
83	Hawthorn 35	35	11	12
84	Hawthorn 35	35	11	12
85	Hawthorn 35	35	11	12
86	Hawthorn 35	35	11	12
87	Hawthorn 35	35	11	12
88	Hawthorn 35	35	11	12
89	Hawthorn 35	35	11	12
90	Hawthorn 35	35	11	12
91	Hawthorn 35	35	11	12
92	Hawthorn 35	35	11	12
93	Hawthorn 35	35	11	12
94	Hawthorn 35	35	11	12
95	Hawthorn 35	35	11	12
96	Hawthorn 35	35	11	12
97	Hawthorn 35	35	11	12
98	Hawthorn 35	35	11	12
99	Hawthorn 35	35	11	12
100	Hawthorn 35	35	11	12

11	117	Sec Pacific	\$10	118	+8	1057.20	-	48	-
10	35	Smith St. Audyn	--	39	+1	20	-	73	-
5	411	Standard Charist	£1	438		128 5 14	93	68	

[illegible]

3	167	On 91st Dec. 99-01	163	On 91st Dec. 99-01	161	On 91st Dec. 99-01	161	On 91st Dec. 99-01
3	68	Buddington	92	Buddington	92	Buddington	92	Buddington
3	200	Brown Matthew	438	Brown Matthew	438	Brown Matthew	438	Brown Matthew

[illegible]

270	Wolfe & Dwyer	368	+2	1.6	3.0	29	15.9	13
185	Young Bros 'A' 50p	210		6.3	2.0	43	16.8	84

BUILDING, TIMBER, ROADS			
231	AMT. C50	236	1.1
171	Submarine Cans	178	1.75 2.5 5.8 10.5
150	Shells Sulfate Sp.	190	3.0 0. 2.3 0.
			For Allied Plant Ins.
32	Ammonia Unit	25	0.
29	Ammonia 10g	60	0.1 0.2 1.
4	Ammonia	113	4. 3.5 18. 4.5 19.5

ENGINEERING—Continued									
1985		Stock	Price	+ or -	Div Yld	C/Yr	Gr%	P/E	
High	Low								
152	50 1/2	BN Group 100	123	-2	11.0	2.4	1.3	45.1	
170	120	Babcock 100	132	-3	18.0	1.7	8.7	8.2	

264	134	Baker (C. H.)	25	+4	-	-	-	-
220	160	Baker Perkins 50p	293	-1	46.75	26	50	105
137	55	Barnes Inds 20p	135		85.5	26	58	91

[illegible]

29	21	Domestic 10p	28	10.5	2.9	2.6	24.8
168	109	Eden (Hdgs)	160	+2	65	20	5.8
87	52	Eden (B)	45	-1	30	12	4.4

[illegible]

54	Netto 20p	95	1290	32	44	89
60	Netto 10p	78	35	20	64	85

33	Trinities	73	-	-	-	-
67	Thyacke Tenors	315	-	-	-	-
68	Thyacke Tenors	315	-	-	-	-
108	Ud. S. W. 108	20	-	-	-	-
109	Ud. S. W. 109	20	-	-	-	-
110	Ud. S. W. 110	20	-	-	-	-
111	Ud. S. W. 111	20	-	-	-	-
112	Ud. S. W. 112	20	-	-	-	-
113	Ud. S. W. 113	20	-	-	-	-
114	Ud. S. W. 114	20	-	-	-	-
115	Ud. S. W. 115	20	-	-	-	-
116	Ud. S. W. 116	20	-	-	-	-
117	Ud. S. W. 117	20	-	-	-	-
118	Ud. S. W. 118	20	-	-	-	-
119	Ud. S. W. 119	20	-	-	-	-
120	Ud. S. W. 120	20	-	-	-	-
121	Ud. S. W. 121	20	-	-	-	-
122	Ud. S. W. 122	20	-	-	-	-
123	Ud. S. W. 123	20	-	-	-	-
124	Ud. S. W. 124	20	-	-	-	-
125	Ud. S. W. 125	20	-	-	-	-
126	Ud. S. W. 126	20	-	-	-	-
127	Ud. S. W. 127	20	-	-	-	-
128	Ud. S. W. 128	20	-	-	-	-
129	Ud. S. W. 129	20	-	-	-	-
130	Ud. S. W. 130	20	-	-	-	-
131	Ud. S. W. 131	20	-	-	-	-
132	Ud. S. W. 132	20	-	-	-	-
133	Ud. S. W. 133	20	-	-	-	-
134	Ud. S. W. 134	20	-	-	-	-
135	Ud. S. W. 135	20	-	-	-	-
136	Ud. S. W. 136	20	-	-	-	-
137	Ud. S. W. 137	20	-	-	-	-
138	Ud. S. W. 138	20	-	-	-	-
139	Ud. S. W. 139	20	-	-	-	-
140	Ud. S. W. 140	20	-	-	-	-
141	Ud. S. W. 141	20	-	-	-	-
142	Ud. S. W. 142	20	-	-	-	-
143	Ud. S. W. 143	20	-	-	-	-
144	Ud. S. W. 144	20	-	-	-	-
145	Ud. S. W. 145	20	-	-	-	-
146	Ud. S. W. 146	20	-	-	-	-
147	Ud. S. W. 147	20	-	-	-	-
148	Ud. S. W. 148	20	-	-	-	-
149	Ud. S. W. 149	20	-	-	-	-
150	Ud. S. W. 150	20	-	-	-	-
151	Ud. S. W. 151	20	-	-	-	-
152	Ud. S. W. 152	20	-	-	-	-
153	Ud. S. W. 153	20	-	-	-	-
154	Ud. S. W. 154	20	-	-	-	-
155	Ud. S. W. 155	20	-	-	-	-
156	Ud. S. W. 156	20	-	-	-	-
157	Ud. S. W. 157	20	-	-	-	-
158	Ud. S. W. 158	20	-	-	-	-
159	Ud. S. W. 159	20	-	-	-	-
160	Ud. S. W. 160	20	-	-	-	-
161	Ud. S. W. 161	20	-	-	-	-
162	Ud. S. W. 162	20	-	-	-	-
163	Ud. S. W. 163	20	-	-	-	-
164	Ud. S. W. 164	20	-	-	-	-
165	Ud. S. W. 165	20	-	-	-	-
166	Ud. S. W. 166	20	-	-	-	-
167	Ud. S. W. 167	20	-	-	-	-
168	Ud. S. W. 168	20	-	-	-	-
169	Ud. S. W. 169	20	-	-	-	-
170	Ud. S. W. 170	20	-	-	-	-
171	Ud. S. W. 171	20	-	-	-	-
172	Ud. S. W. 172	20	-	-	-	-
173	Ud. S. W. 173	20	-	-	-	-
174	Ud. S. W. 174	20	-	-	-	-
175	Ud. S. W. 175	20	-	-	-	-
176	Ud. S. W. 176	20	-	-	-	-
177	Ud. S. W. 177	20	-	-	-	-
178	Ud. S. W. 178	20	-	-	-	-
179	Ud. S. W. 179	20	-	-	-	-
180	Ud. S. W. 180	20	-	-	-	-
181	Ud. S. W. 181	20	-	-	-	-
182	Ud. S. W. 182	20	-	-	-	-
183	Ud. S. W. 183	20	-	-	-	-
184	Ud. S. W. 184	20	-	-	-	-
185	Ud. S. W. 185	20	-	-	-	-
186	Ud. S. W. 186	20	-	-	-	-
187	Ud. S. W. 187	20	-	-	-	-
188	Ud. S. W. 188	20	-	-	-	-
189	Ud. S. W. 189	20	-	-	-	-
190	Ud. S. W. 190	20	-	-	-	-
191	Ud. S. W. 191	20	-	-	-	-
192	Ud. S. W. 192	20	-	-	-	-
193	Ud. S. W. 193	20	-	-	-	-
194	Ud. S. W. 194	20	-	-	-	-
195	Ud. S. W. 195	20	-	-	-	-
196	Ud. S. W. 196	20	-	-	-	-
197	Ud. S. W. 197	20	-	-	-	-
198	Ud. S. W. 198	20	-	-	-	-
199	Ud. S. W. 199	20	-	-	-	-
200	Ud. S. W. 200	20	-	-	-	-

0	70	Wattone 50p.	73	..	19	31	30	14.5
0	1372	Yattone 50p.	475	+5	11.0	33	33	10.9

FOOD, GROCERIES, ETC			
18	Wm. S. 10 lb.	12	1.25
19	Wm. S. 10 lb.	12	1.25
20	Wm. S. 10 lb.	12	1.25
21	Wm. S. 10 lb.	12	1.25
22	Wm. S. 10 lb.	12	1.25
23	Wm. S. 10 lb.	12	1.25
24	Wm. S. 10 lb.	12	1.25
25	Wm. S. 10 lb.	12	1.25
26	Wm. S. 10 lb.	12	1.25
27	Wm. S. 10 lb.	12	1.25
28	Wm. S. 10 lb.	12	1.25
29	Wm. S. 10 lb.	12	1.25
30	Wm. S. 10 lb.	12	1.25
31	Wm. S. 10 lb.	12	1.25
32	Wm. S. 10 lb.	12	1.25
33	Wm. S. 10 lb.	12	1.25
34	Wm. S. 10 lb.	12	1.25
35	Wm. S. 10 lb.	12	1.25
36	Wm. S. 10 lb.	12	1.25
37	Wm. S. 10 lb.	12	1.25
38	Wm. S. 10 lb.	12	1.25
39	Wm. S. 10 lb.	12	1.25
40	Wm. S. 10 lb.	12	1.25
41	Wm. S. 10 lb.	12	1.25
42	Wm. S. 10 lb.	12	1.25
43	Wm. S. 10 lb.	12	1.25
44	Wm. S. 10 lb.	12	1.25
45	Wm. S. 10 lb.	12	1.25
46	Wm. S. 10 lb.	12	1.25
47	Wm. S. 10 lb.	12	1.25
48	Wm. S. 10 lb.	12	1.25
49	Wm. S. 10 lb.	12	1.25
50	Wm. S. 10 lb.	12	1.25
51	Wm. S. 10 lb.	12	1.25
52	Wm. S. 10 lb.	12	1.25
53	Wm. S. 10 lb.	12	1.25
54	Wm. S. 10 lb.	12	1.25
55	Wm. S. 10 lb.	12	1.25
56	Wm. S. 10 lb.	12	1.25
57	Wm. S. 10 lb.	12	1.25
58	Wm. S. 10 lb.	12	1.25
59	Wm. S. 10 lb.	12	1.25
60	Wm. S. 10 lb.	12	1.25
61	Wm. S. 10 lb.	12	1.25
62	Wm. S. 10 lb.	12	1.25
63	Wm. S. 10 lb.	12	1.25
64	Wm. S. 10 lb.	12	1.25
65	Wm. S. 10 lb.	12	1.25
66	Wm. S. 10 lb.	12	1.25
67	Wm. S. 10 lb.	12	1.25
68	Wm. S. 10 lb.	12	1.25
69	Wm. S. 10 lb.	12	1.25
70	Wm. S. 10 lb.	12	1.25
71	Wm. S. 10 lb.	12	1.25
72	Wm. S. 10 lb.	12	1.25
73	Wm. S. 10 lb.	12	1.25
74	Wm. S. 10 lb.	12	1.25
75	Wm. S. 10 lb.	12	1.25
76	Wm. S. 10 lb.	12	1.25
77	Wm. S. 10 lb.	12	1.25
78	Wm. S. 10 lb.	12	1.25
79	Wm. S. 10 lb.	12	1.25
80	Wm. S. 10 lb.	12	1.25
81	Wm. S. 10 lb.	12	1.25
82	Wm. S. 10 lb.	12	1.25
83	Wm. S. 10 lb.	12	1.25
84	Wm. S. 10 lb.	12	1.25
85	Wm. S. 10 lb.	12	1.25
86	Wm. S. 10 lb.	12	1.25
87	Wm. S. 10 lb.	12	1.25
88	Wm. S. 10 lb.	12	1.25
89	Wm. S. 10 lb.	12	1.25
90	Wm. S. 10 lb.	12	1.25
91	Wm. S. 10 lb.	12	1.25
92	Wm. S. 10 lb.	12	1.25
93	Wm. S. 10 lb.	12	1.25
94	Wm. S. 10 lb.	12	1.25
95	Wm. S. 10 lb.	12	1.25
96	Wm. S. 10 lb.	12	1.25
97	Wm. S. 10 lb.	12	1.25
98	Wm. S. 10 lb.	12	1.25
99	Wm. S. 10 lb.	12	1.25
100	Wm. S. 10 lb.	12	1.25

58	Castlemoor	68	+3	64	14	76	13.7
108	Garr's Milling	150	+3	155	31	52	(6.9)
25	Chambers & Farmers	26					

125	Children's Dancers	350	74	25.5	60	95	4	1	1
126	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
127	Children's Hops 120	350	74	25.5	60	95	4	1	1
128	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
129	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
130	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
131	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
132	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
133	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
134	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
135	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
136	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
137	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
138	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
139	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
140	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
141	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
142	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
143	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
144	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
145	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
146	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
147	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
148	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
149	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
150	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
151	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
152	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
153	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
154	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
155	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
156	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
157	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
158	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
159	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
160	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
161	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
162	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
163	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
164	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
165	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
166	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
167	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
168	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
169	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
170	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
171	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
172	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
173	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
174	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
175	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
176	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
177	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
178	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
179	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
180	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
181	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
182	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
183	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
184	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
185	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
186	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
187	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
188	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
189	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
190	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
191	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
192	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
193	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
194	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
195	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
196	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
197	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
198	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
199	Dr. H. H. 134	350	74	25.5	60	95	4	1	1
200	Dr. H. H. 134	350	74	25.5	60	95	4	1	1

110	Maynew Foods 100	150	-2	q1.93	0	21	0
240	Maynards	395	-5	q10.07	1.4	3.6	2.2
310	Meadow Farm Prod 100	305	0	6.5	2.8	2	15.7

76	Monte Treade	258	1	5.25	13	44	13	2
77	Monte Treade	258	1	5.25	13	44	13	2
78	Monte Treade	258	1	5.25	13	44	13	2
79	Monte Treade	258	1	5.25	13	44	13	2
80	Monte Treade	258	1	5.25	13	44	13	2
81	Monte Treade	258	1	5.25	13	44	13	2
82	Monte Treade	258	1	5.25	13	44	13	2
83	Monte Treade	258	1	5.25	13	44	13	2
84	Monte Treade	258	1	5.25	13	44	13	2
85	Monte Treade	258	1	5.25	13	44	13	2
86	Monte Treade	258	1	5.25	13	44	13	2
87	Monte Treade	258	1	5.25	13	44	13	2
88	Monte Treade	258	1	5.25	13	44	13	2
89	Monte Treade	258	1	5.25	13	44	13	2
90	Monte Treade	258	1	5.25	13	44	13	2
91	Monte Treade	258	1	5.25	13	44	13	2
92	Monte Treade	258	1	5.25	13	44	13	2
93	Monte Treade	258	1	5.25	13	44	13	2
94	Monte Treade	258	1	5.25	13	44	13	2
95	Monte Treade	258	1	5.25	13	44	13	2
96	Monte Treade	258	1	5.25	13	44	13	2
97	Monte Treade	258	1	5.25	13	44	13	2
98	Monte Treade	258	1	5.25	13	44	13	2
99	Monte Treade	258	1	5.25	13	44	13	2
100	Monte Treade	258	1	5.25	13	44	13	2

141	Texaco Sp	260	+1	4.85	2.9	2.6	18.8	133
1375	On 900 Cn 2002-07	6232		0%	-	143	-	110
141	Unimate	188	-1	8.2	1.8	6.2	12.5	458

162	United Brands	179	-1	67.5	18.1	61.12	128
163	W. T. Grant Co.	179					129
164	W. T. Grant Co.	179					130
165	W. T. Grant Co.	179					131
166	W. T. Grant Co.	179					132
167	W. T. Grant Co.	179					133
168	W. T. Grant Co.	179					134
169	W. T. Grant Co.	179					135
170	W. T. Grant Co.	179					136
171	W. T. Grant Co.	179					137
172	W. T. Grant Co.	179					138
173	W. T. Grant Co.	179					139
174	W. T. Grant Co.	179					140
175	W. T. Grant Co.	179					141
176	W. T. Grant Co.	179					142
177	W. T. Grant Co.	179					143
178	W. T. Grant Co.	179					144
179	W. T. Grant Co.	179					145
180	W. T. Grant Co.	179					146
181	W. T. Grant Co.	179					147
182	W. T. Grant Co.	179					148
183	W. T. Grant Co.	179					149
184	W. T. Grant Co.	179					150
185	W. T. Grant Co.	179					151
186	W. T. Grant Co.	179					152
187	W. T. Grant Co.	179					153
188	W. T. Grant Co.	179					154
189	W. T. Grant Co.	179					155
190	W. T. Grant Co.	179					156
191	W. T. Grant Co.	179					157
192	W. T. Grant Co.	179					158
193	W. T. Grant Co.	179					159
194	W. T. Grant Co.	179					160
195	W. T. Grant Co.	179					161
196	W. T. Grant Co.	179					162
197	W. T. Grant Co.	179					163
198	W. T. Grant Co.	179					164
199	W. T. Grant Co.	179					165
200	W. T. Grant Co.	179					166

751 Mt. Charlotte 100	90	11.2	3.5	1.9	16.6	130
191 Norfolk Canal Sp	21	10.29	1.8	1.7	41.3	84
45 Morrisani House 500	96	13.8	1.2	1.6	8.2	124

95	Prince of Wales	182	15	33	21	16.0	335
49	Queen Mary St.	534	11.33	23	36	14.1	1223
101	The Zoo, Pl. 41	108	74	12.5	9.3	-	31
19	Wynn Rogers St.	281	01857	27	29	15.6	198
350	Swany "A" 10s.	375	12	5	1.4	1.0	18.0
							150

High	Low	..	Stock	Price	-	Net	Chg	Gr's
49	53	54	101	63		101	28	23

INDUSTRIALS (Misc.)			
52	119	ARM.....	160 679 12' 61
131	925	AGAA5A25	5115 507 12-24-14

175	ADP Research 10c	225	63	4
176	AIN 10c	225	27.95	15.77
177	AIN 10c	225	27.95	15.77
178	AIN 10c	225	4	19.65
179	AIN 10c	225	27.95	15.77
180	AIN 10c	225	27.95	15.77
181	AIN 10c	225	27.95	15.77
182	AIN 10c	225	27.95	15.77
183	AIN 10c	225	27.95	15.77
184	AIN 10c	225	27.95	15.77
185	AIN 10c	225	27.95	15.77
186	AIN 10c	225	27.95	15.77
187	AIN 10c	225	27.95	15.77
188	AIN 10c	225	27.95	15.77
189	AIN 10c	225	27.95	15.77
190	AIN 10c	225	27.95	15.77
191	AIN 10c	225	27.95	15.77
192	AIN 10c	225	27.95	15.77
193	AIN 10c	225	27.95	15.77
194	AIN 10c	225	27.95	15.77
195	AIN 10c	225	27.95	15.77
196	AIN 10c	225	27.95	15.77
197	AIN 10c	225	27.95	15.77
198	AIN 10c	225	27.95	15.77
199	AIN 10c	225	27.95	15.77
200	AIN 10c	225	27.95	15.77
201	AIN 10c	225	27.95	15.77
202	AIN 10c	225	27.95	15.77
203	AIN 10c	225	27.95	15.77
204	AIN 10c	225	27.95	15.77
205	AIN 10c	225	27.95	15.77
206	AIN 10c	225	27.95	15.77
207	AIN 10c	225	27.95	15.77
208	AIN 10c	225	27.95	15.77
209	AIN 10c	225	27.95	15.77
210	AIN 10c	225	27.95	15.77
211	AIN 10c	225	27.95	15.77
212	AIN 10c	225	27.95	15.77
213	AIN 10c	225	27.95	15.77
214	AIN 10c	225	27.95	15.77
215	AIN 10c	225	27.95	15.77
216	AIN 10c	225	27.95	15.77
217	AIN 10c	225	27.95	15.77
218	AIN 10c	225	27.95	15.77
219	AIN 10c	225	27.95	15.77
220	AIN 10c	225	27.95	15.77
221	AIN 10c	225	27.95	15.77
222	AIN 10c	225	27.95	15.77
223	AIN 10c	225	27.95	15.77
224	AIN 10c	225	27.95	15.77
225	AIN 10c	225	27.95	15.77
226	AIN 10c	225	27.95	15.77
227	AIN 10c	225	27.95	15.77
228	AIN 10c	225	27.95	15.77
229	AIN 10c	225	27.95	15.77
230	AIN 10c	225	27.95	15.77
231	AIN 10c	225	27.95	15.77
232	AIN 10c	225	27.95	15.77
233	AIN 10c	225	27.95	15.77
234	AIN 10c	225	27.95	15.77
235	AIN 10c	225	27.95	15.77
236	AIN 10c	225	27.95	15.77
237	AIN 10c	225	27.95	15.77
238	AIN 10c	225	27.95	15.77
239	AIN 10c	225	27.95	15.77
240	AIN 10c	225	27.95	15.77
241	AIN 10c	225	27.95	15.77
242	AIN 10c	225	27.95	15.77
243	AIN 10c	225	27.95	15.77
244	AIN 10c	225	27.95	15.77
245	AIN 10c	225	27.95	15.77
246	AIN 10c	225	27.95	15.77
247	AIN 10c	225	27.95	15.77
248	AIN 10c	225	27.95	15.77
249	AIN 10c	225	27.95	15.77
250	AIN 10c	225	27.95	15.77
251	AIN 10c	225	27.95	15.77
252	AIN 10c	225	27.95	15.77
253	AIN 10c	225	27.95	15.77
254	AIN 10c	225	27.95	15.77
255				

23	Benlar 100	25	11	0.9	61.2
73	Bernhardt	75	5.28	10.1	
140	Besol 100	147	-2	4.25	31.41

[illegible]

130	Dames & Moore	158	109.09	3.0	84	4.9
755	De La Rue	810	30.0	2.2	53	10

[illegible]

214	Eng. China Clays.....	239	-1	10.7	2.2	6.4	11.3
157	Equipm 10p.....	182	+2	4.5	3.6	3.5	9.9

100	Do 75%	190	-2	4	25	47	98
101	Do 75%	190	-2	4	25	47	98
102	Do 75%	190	-2	4	25	47	98
103	Do 75%	190	-2	4	25	47	98
104	Do 75%	190	-2	4	25	47	98
105	Do 75%	190	-2	4	25	47	98
106	Do 75%	190	-2	4	25	47	98
107	Do 75%	190	-2	4	25	47	98
108	Do 75%	190	-2	4	25	47	98
109	Do 75%	190	-2	4	25	47	98
110	Do 75%	190	-2	4	25	47	98
111	Do 75%	190	-2	4	25	47	98
112	Do 75%	190	-2	4	25	47	98
113	Do 75%	190	-2	4	25	47	98
114	Do 75%	190	-2	4	25	47	98
115	Do 75%	190	-2	4	25	47	98
116	Do 75%	190	-2	4	25	47	98
117	Do 75%	190	-2	4	25	47	98
118	Do 75%	190	-2	4	25	47	98
119	Do 75%	190	-2	4	25	47	98
120	Do 75%	190	-2	4	25	47	98
121	Do 75%	190	-2	4	25	47	98
122	Do 75%	190	-2	4	25	47	98
123	Do 75%	190	-2	4	25	47	98
124	Do 75%	190	-2	4	25	47	98
125	Do 75%	190	-2	4	25	47	98
126	Do 75%	190	-2	4	25	47	98
127	Do 75%	190	-2	4	25	47	98
128	Do 75%	190	-2	4	25	47	98
129	Do 75%	190	-2	4	25	47	98
130	Do 75%	190	-2	4	25	47	98
131	Do 75%	190	-2	4	25	47	98
132	Do 75%	190	-2	4	25	47	98
133	Do 75%	190	-2	4	25	47	98
134	Do 75%	190	-2	4	25	47	98
135	Do 75%	190	-2	4	25	47	98
136	Do 75%	190	-2	4	25	47	98
137	Do 75%	190	-2	4	25	47	98
138	Do 75%	190	-2	4	25	47	98
139	Do 75%	190	-2	4	25	47	98
140	Do 75%	190	-2	4	25	47	98
141	Do 75%	190	-2	4	25	47	98
142	Do 75%	190	-2	4	25	47	98
143	Do 75%	190	-2	4	25	47	98
144	Do 75%	190	-2	4	25	47	98
145	Do 75%	190	-2	4	25	47	98
146	Do 75%	190	-2	4	25	47	98
147	Do 75%	190	-2	4	25	47	98
148	Do 75%	190	-2	4	25	47	98
149	Do 75%	190	-2	4	25	47	98
150	Do 75%	190	-2	4	25	47	98
151	Do 75%	190	-2	4	25	47	98
152	Do 75%	190	-2	4	25	47	98
153	Do 75%	190	-2	4	25	47	98
154	Do 75%	190	-2	4	25	47	98
155	Do 75%	190	-2	4	25	47	98
156	Do 75%	190	-2	4	25	47	98
157	Do 75%	190	-2	4	25	47	98
158	Do 75%	190	-2	4	25	47	98
159	Do 75%	190	-2	4	25	47	98
160	Do 75%	190	-2	4	25	47	98
161	Do 75%	190	-2	4	25	47	98
162	Do 75%	190	-2	4	25	47	98
163	Do 75%	190	-2	4	25	47	98
164	Do 75%	190	-2	4	25	47	98
165	Do 75%	190	-2	4	25	47	98
166	Do 75%	190	-2	4	25	47	98
167	Do 75%	190	-2	4	25	47	98
168	Do 75%	190	-2	4	25	47	98
169	Do 75%	190	-2	4	25	47	98
170	Do 75%	190	-2	4	25	47	98
171	Do 75%	190	-2	4	25	47	98
172	Do 75%	190	-2	4	25	47	98
173	Do 75%	190	-2	4	25	47	98
174	Do 75%	190	-2	4	25	47	98
175	Do 75%	190	-2	4	25	47	98
176	Do 75%	190	-2	4	25	47	98
177	Do 75%	190	-2	4	25	47	98
178	Do 75%	190	-2	4	25	47	98
179	Do 75%	190	-2	4	25	47	98
180	Do 75%	190	-2	4	25	47	98
181	Do 75%	190	-2	4	25	47	98
182	Do 75%	190	-2	4	25	47	98
183	Do 75%	190	-2	4	25	47	98
184	Do 75%	190	-2	4	25	47	98
185	Do 75%	190	-2	4	25	47	98
186	Do 75%	190	-2	4	25	47	98
187	Do 75%	190	-2	4	25	47	98
188	Do 75%	190	-2	4	25	47	98
189	Do 75%	190	-2	4	25	47	98
190	Do 75%	190	-2	4	25	47	98
191	Do 75%	190	-2	4	25	47	98
192	Do 75%	190	-2	4	25	47	98
193	Do 75%	190	-2	4	25	47	98
194	Do 75%	190	-2	4	25	47	98
195	Do 75%	190	-2	4	25	47	98
196	Do 75%	190	-2	4	25	47	98
197	Do 75%	190	-2	4	25	47	98
198	Do 75%	190	-2	4	25	47	98
199	Do 75%	190	-2	4	25	47	98
200	Do 75%	190	-2	4	25	47	98
201	Do 75%	190	-2	4	25	47	98
202	Do 75%	190	-2	4	25	47	98
203	Do 75%	190	-2	4	25	47	98
204	Do 75%	190	-2	4	25	47	98
205	Do 75%	190	-2	4	25	47	98
206	Do 75%	190	-2	4	25	47	98
207	Do 75%	190	-2	4	25	47	98
208	Do 75%	190	-2	4	25	47	98
209	Do 75%	190	-2	4	25	47	98
210	Do 75%	190	-2	4	25	47	98
211	Do 75%	190	-2	4	25	47	98
212	Do 75%	190	-2	4	25	47	98
213	Do 75%	190	-2	4	25	47	98
214	Do 75%	190	-2	4	25	47	98
215	Do 75%	190	-2	4	25	47	98
216	Do 75%	190	-2	4	25	47	98
217	Do 75%	190	-2	4	25	47	98
218	Do 75%	190	-2	4	25	47	98
219	Do 75%	190	-2	4	25	47	98
220	Do 75%	190	-2	4	25	47	98
221	Do 75%	190	-2	4	25	47	98
222	Do 75%	190	-2	4	25	47	98
223	Do 75%	190	-2	4	25	47	98
224	Do 75%	190	-2	4	25	47	98
225	Do 75%	190	-2	4	25	47	98
226	Do 75%	190	-2	4	25	47	98
227	Do 75%	190	-2	4	25	47	98
228	Do 75%	190	-2	4	25	47	98
229	Do 75%	190	-2	4	25	47	98
230	Do 75%	190	-2	4	25	47	98
231	Do 75%	190	-2	4	25	47	98
232	Do 75%	190	-2	4	25	47	98
233	Do 75%	190	-2	4	25	47	98
234	Do 75%	190	-2	4	25	47	98
235	Do 75%	190	-2	4	25	47	98
236	Do 75%	190	-2	4	25	47	98
237	Do 75%	190	-2	4	25	47	98
238	Do 75%	190	-2	4	25	47	98
239	Do 75%	190	-2	4	25	47	98
240	Do 75%	190	-2	4	25	47	98
241	Do 75%	190	-2	4	25	47	98
242	Do 75%	190	-2	4	25	47	98
243	Do 75%	190	-2	4	25	47	98
244	Do 75%	190	-2	4	25	47	98
245	Do 75%	190	-2	4	25	47	98
246	Do 75%	190	-2	4	25	47	98
247	Do 75%	190	-2	4	25	47	98
248	Do 75%	190	-2	4	25	47	98
249	Do 75%	190	-2	4	25	47	98
250	Do 75%	190	-2	4	25	47	98
251	Do 75%	190	-2	4	25	47	98
252	Do 75%	190	-2	4	25	47	98
253	Do 75%	190	-2	4	25	47	98
254	Do 75%	190	-2	4	25	47	98
255	Do 75%	190	-2	4	25	47	98
256	Do 75%	190	-2	4	25	47	98
257	Do 75%	190	-2	4	25	47	98
258	Do 75%	190	-2	4	25	47	98
259	Do 75%	190	-2	4	25	47	98
260	Do 75%	190	-2	4	25	47	98
261	Do 75%	190	-2	4	25	47	98
262	Do 75%	190	-2	4	25	47	98
263	Do 75%	190	-2	4	25	47	98
264	Do 75%	190	-2	4	25	47	98
265	Do 75%	190	-2	4	25	47	98
266	Do 75%	190	-2	4	25	47	98
267	Do 75%	190	-2	4	25	47	98
268	Do 75%	190	-2	4	25	47	98
269	Do 75%	190	-2	4	25	47	98
270	Do 75%	190	-2	4	25	47	98
271	Do 75%	190	-2	4	25	47	98
272	Do 75%	190	-2	4	25	47	98
273	Do 75%	190	-2	4	25	47	98
274	Do 75%	190	-2	4	25	47	98
275	Do 75%	190	-2	4	25	47	98
276	Do 75%	190	-2	4	25	47	98
277	Do 75%	190	-2	4	25	47	98
278	Do 75%	190	-2	4	25	47	98
279	Do 75%	190	-2	4	25	47	98
280	Do 75%	190	-2	4	25	47	98
281	Do 75%	190	-2	4	25	47	98
282	Do 75%	190	-2	4	25	47	98
283	Do 75%	190	-2	4	25	47	98
284	Do 75%	190	-2	4	25	47	98
285	Do 75%	190	-2	4	25	47	98
286	Do 75%	190	-2	4	25	47	98
287	Do 75%	190	-2	4	25	47	98
288	Do 75%	190	-2	4	25	47	98
289	Do 75%	190	-2	4	25	47	98
290	Do 75%	190	-2	4	25	47	98
291	Do 75%	190	-2	4	25	47	98
292	Do 75%	190	-2	4	25	47	98
293	Do 75%	190	-2	4	25	47	98
294	Do 75%	190	-2	4	25	47	98
295	Do 75%	190	-2	4	25	47	98
296	Do 75%	190	-2	4	25	47	98
297	Do 75%	190	-2	4	25	47	98
298	Do 75%	190	-2	4	25	47	98
299	Do 75%	190	-2	4	25</		

162	Friedland Doggan	315	1	107.25	3.6	4	11.7
200	GRITHOY	253	1	7.0	2.9	4.0	15.0
67	Gesetzer	100	-2	1.32	1.5	1.8	14.4

68	Grassroots Hds.	192	65.5	12	3.2	12.7
69	Strategic	196	76.6	23	4.8	12.7
70	Health Care Co. Se.	208	70.50	34	7.5	13.3
71	Holma Ltd.	208	70.50	34	7.5	13.3
72	Holma Trans.	208	70.50	34	7.5	13.3
73	Do Socia Inc 94-99	215	68.8	15	3.2	12.7
74	Health Care Co. Se.	215	68.8	15	3.2	12.7
75	Harris (Ph) 20	215	68.8	15	3.2	12.7
76	Harris 50	215	68.8	15	3.2	12.7
77	Harney & 720	226	71.16	29	6.3	15.3
78	Harney & 720	226	71.16	29	6.3	15.3
79	Harney & 720	226	71.16	29	6.3	15.3
80	Harney & 720	226	71.16	29	6.3	15.3
81	Harney & 720	226	71.16	29	6.3	15.3
82	Harney & 720	226	71.16	29	6.3	15.3
83	Harney & 720	226	71.16	29	6.3	15.3
84	Harney & 720	226	71.16	29	6.3	15.3
85	Harney & 720	226	71.16	29	6.3	15.3
86	Harney & 720	226	71.16	29	6.3	15.3
87	Harney & 720	226	71.16	29	6.3	15.3
88	Harney & 720	226	71.16	29	6.3	15.3
89	Harney & 720	226	71.16	29	6.3	15.3
90	Harney & 720	226	71.16	29	6.3	15.3
91	Harney & 720	226	71.16	29	6.3	15.3
92	Harney & 720	226	71.16	29	6.3	15.3
93	Harney & 720	226	71.16	29	6.3	15.3
94	Harney & 720	226	71.16	29	6.3	15.3
95	Harney & 720	226	71.16	29	6.3	15.3
96	Harney & 720	226	71.16	29	6.3	15.3
97	Harney & 720	226	71.16	29	6.3	15.3
98	Harney & 720	226	71.16	29	6.3	15.3
99	Harney & 720	226	71.16	29	6.3	15.3
100	Harney & 720	226	71.16	29	6.3	15.3

52	Hells 21st	76	-2	76	-2	76	-2
95	Hunter 100	138		138		138	7.6
55	Hunting Assoc.	230	-5	230	-5	230	6.4

[illegible]

3	ALDH Group 1Sp	133	42	13	53	19.4
9	ALDH Im 10p	18	20	39	28	11.9
0	ALDH Im 10p	136	19	24	41	14.3

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
1	2	3	4	5	6	7	8	9	10	11	12																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													

LEISURE—Continued

"Recent Issues" and "Rights" Page 30
(International Editinn Page 34)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

CANADA

[illegible][illegible]

Stock	Sales (thous)	High	Low	Last	Chng	Stock	Sales (thous)	High	Low	Last	Chng	Stock	Sales (thous)	High	Low	Last	Chng	Stock	Sales (thous)	High	Low	Last	Chng		
Continued from Page 37																									
Common	2.78	326	125	125	125	+	Reggie	-12	21	141	125	141	+	Sovereign	472	244	244	+	UPGCorp	32	75	74	74	+	
Preferred	1.26	126	126	126	126	+	Reich	-16	44	104	104	104	+	SPS	37	73	73	73	+	USDC	1,648	30	70	70	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106	106	106	+
OverD	2.00	200	125	125	125	+	Reich	-16	44	104	104	104	+	SpeedCo	37	73	73	73	+	USFD	12	106			

[illegible]

Tuesday-Wednesday-Thursday-Friday

Only in the Financial Times

HAND DELIVERY SERVICE **AMSTERDAM/DELFT/DUIVENDRECHT/EINDHOVEN**
GRONINGEN/DE HAGUE/HAALEM/HEEMSTEDEN/
LEIDEN/EIDERDORP/EIDSCHEENDAM/OEGSTGEEST/
RUSWIJK/ROTTERDAM/UTRECHT/WASSENAAAR **THE**
NETHERLANDS

Your subscription copy of the **FINANCIAL TIMES** can be hand-delivered to your office in any of the above locations. For details contact: Karin Iversen, 020 239430, Telex: 16527.

Prices at 3pm, October 7

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month
----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------

Continued on Page 37

Continued from Page 36

These figures are unofficial. Yearly highs and lows reflect the previous 12 weeks plus the current week, but not the latest advance or delay reported under the Securities Act. Percentages are shown for the new stock only. Unless otherwise indicated, rates of change are annual differentials based on the latest advance.

a - Elected child plus
b - Elected child plus
c - Elected child plus
d - Elected child plus
e - Elected child plus
f - Elected child plus
g - Elected child plus
h - Elected child plus
i - Elected child plus
j - Elected child plus
k - Elected child plus
l - Elected child plus
m - Elected child plus
n - Elected child plus
o - Elected child plus
p - Elected child plus
q - Elected child plus
r - Elected child plus
s - Elected child plus
t - Elected child plus
u - Elected child plus
v - Elected child plus
w - Elected child plus
x - Elected child plus
y - Elected child plus
z - Elected child plus

Continued on Page 35

Since figures are unofficial, Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend occurred, the figures shown are for the stock only. High-low ranges and closing prices are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

a-dividend also extra; b-annual rate of dividend plus stock dividend; c-equivalent dividend; d-dividend over the previous 52 weeks; e-annual rate of dividend; f-dividend in Canadian funds, subject to 15% non-resident tax; g-dividend declared after split or stock dividend; h-new issue; i-paid this year; n-not declared or paid this year; an accumulation issue with dividends in arrears; n-new issue in the past 52 weeks; The High-Low of P/E ratio; P/E=price-earnings; ratio; n-dividend declared or paid in preceding 12 months; plus stock dividend; v-secor split; Dividends begin with the first 12 months; e-estimated cash value on ex-dividend or non-dividend date; n-new year; high, v-trading highest, w-in bankruptcy or reorganization; b-bankruptcy; n-not in bankruptcy; n-not in liquidation; or acquisition; s-suspension; u-unusual; x-comparison; od-distributed; w-without; w-with warrants; w-w-dividend or scrip; add-on; od-distribution; od-without; w-w-dividend; w-w-dividend and stock; w-w-dividend and stock.

Stock	Div	P/E	52 Weeks High	Low	Close	Change
Action		28	17 1/2	17 1/2	17 1/2	

[illegible]**OVER-THE-COUNTER** *Nasdaq national market, 2:30pm prices*

Stock	Sales (thous)	High	Low	Last	Chng	Stock	Sales (thous)	High	Low	Last	Chng	Stock	Sales (thous)	High	Low	Last	Chng	Stock	Sales (thous)	High	Low	Last	Chng	
ADC T	4	19	19	19	-	Chard	20	3	185	184	184	Faroli	108	4	184	184	+	Amork	77	34	34	34	+	
AEI	1	142	142	142	+	Chiron	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AFR	1	142	142	142	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AG	4368	10	74	74	-	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172	172	+
AGC	20	64	5	5	+	Clyde	185	38	76	76	76	Farr	1.32	610	58	184	184	+	Amrk	1345	18	172		

Continued on Page 35

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Weak bonds clip back confidence

WEAKNESS in the bond market dented confidence on Wall Street yesterday, leaving prices to struggle around last week's closing levels on reduced turnover, writes Terry Byland in New York.

An optimistic report on the U.S. economy from U.S. purchasing managers failed to distract investors from other concerns about the market's future.

Among these was the Senate's expected approval this week for a new federal debt ceiling which will open the way for a Treasury financing programme of around \$50bn by the end of the year and is expected to place upward pressures on interest rates.

At 3pm the Dow Jones industrial average was down 8.74 at 1,320.0.

The first of the third-quarter profit statements came from Burroughs and provided a gloomy start to the session as the company warned of "substantially lower" earnings.

Burroughs dropped a further 1 1/2% to \$53, although selling pressure was less than in recent sessions. The company's problems did not upset the rest of the computer sector. IBM gained 3/4% to \$124 1/4 while Digital Equipment firmed 1 1/4% to \$108 1/4. Control Data 3/4% to \$16 1/4 and Honeywell 3/4% to \$80 1/4.

Gould, a recent takeover favourite, dropped 1 1/4% to \$35 1/4 in heavy trading as

the speculators backed out in the absence of a move by Siemens of West Germany.

Sperry, another speculative favourite, eased 3/4% to \$49 1/4.

The oil sector lost its recent firmness as plans by producer countries to increase output spelled lower prices. Losses were small. Exxon eased 3/4% to \$1 1/4 and Atlantic Richfield slipped 3/4% to \$82.

Pharmaceuticals traded cautiously, still waiting to see how the dollar will respond to multinational plans to lower its foreign exchange value. Merck, with a large portion of sales made in non-U.S. markets, gained \$1 to \$107 1/4.

Warner-Lambert plunged 3/4% to \$35 1/4 in brisk trading after reports of problems in France over Maxicam, the company's anti-arthritis drug.

Health-care stocks showed further losses with Hospital Corporation of America down 1 1/4% to \$28 1/4.

Monsanto, also in the medical sector, lost 3/4% to \$42 1/4 on the disclosure that many lawsuits have been filed against its newly acquired subsidiary, G.D. Searle.

Chemicals showed a scattering of losses. Dupont was down \$1 to \$58 1/4, and Dow Chemical lost 3/4% to \$33 1/4. Union Carbide eased 3/4% to \$52 1/4 in light trading.

The recent takeover features played a more subdued role than in recent weeks. Revlon, the cosmetics group, gained 1 1/4% to \$55 1/4 in heavy turnover, to match the new \$55 terms from Pantry Pride. But SCM, at \$72 1/4, eased 3/4% in thin trading as the market awaited the outcome of the bid impasse. Hanson Trust of the UK holds almost a third of the stock, and the Merrill Lynch-led management group the remainder.

The long end of the bond market was unsettled by several factors and lost half

a point. Once again, rumours that Mr Paul Volcker was leaving the Federal Reserve were firmly denied. Mr Volcker is Wall Street's favourite inflation fighter, and his departure from the Fed would be a bearish sign for bond prices.

Short-term rates moved little, reassured by a federal funds rate again safely below 8 per cent.

TOKYO

Blue chips advance on speculation

INSTITUTIONAL investors retreated to the sidelines in Tokyo yesterday in a continuation of the hesitancy displayed at the close of last week, writes Shigeo Nishikawa of Jiji Press.

However, speculative buying of blue chip and biotechnology stocks counteracted the loss of institutional support and cleared the way for a further advance.

The Nikkei-Dow market average gained 41.34 to 12,792.00, the third consecutive increase, on a volume of only 353m shares, compared with Friday's 388m. Advances outpaced declines 404 to 345, with 159 issues unchanged.

Institutional investors, anticipating a fall in Japanese interest rates because of the yen's rise against the dollar, had been trading actively in the week to last Friday in large-capital issues such as steels, shipbuilders, and utilities.

However, the rapid rise of Mitsubishi Heavy Industries and Nippon Steel made the institutions wary, and they stopped trading yesterday when the yen slipped.

The day's most active stock was Nippon Steel on volume of 10.9m shares, but this was way down on last Tuesday's high of 238.4m. It lost Y2 to Y105 on profit-taking.

Among other large-capital issues, Mitsubishi Heavy Industries dropped Y2 to Y450, Tokyo Gas fell Y8 to Y318 and Tokyo Electric Power was down Y70 to Y2,590.

Blue chips scored large gains. Toshiba and Mitsubishi Electric added Y10 and Y8 to Y378 each. Hitachi rose Y13 to Y865.

TDK went up Y120 to Y3,830, and Fujitsu advanced Y24 to Y950 while Canon closed Y30 up at Y1,040.

Market analysts said investors tentatively bought blue chips when large-capital stocks fell from favour.

Nissan Chemical was popular on hopes of higher earnings for the year ending next March due to the stronger yen. It finished at Y427, up Y22. Minebea jumped Y54 to Y784 on buying by non-residents.

Some biotechnologies gained on speculative buying. Teijin finished Y5 higher at Y558 on the second heaviest trading of 8.4m shares. Mitsubishi Chemical rose Y8 to Y498, and Nippon Kayaku added up Y28 to Y854.

The bond market was also lacklustre. Bank dealers grew increasingly cautious, and only small brokerage houses traded lightly in the benchmark 8.8 per cent government bond maturing in December 1994.

Transactions were around a sixth of last week's level when trading was buoyed by the meeting of the Group of Five finance ministers. The yield on the 8.8 per cent government bond declined to 5.595 per cent from Saturday's 5.600 per cent.

SINGAPORE

PROFIT-TAKING pulled prices down in Singapore, and the Straits Times index ended 3.81 lower at 763.59 on turnover that fell to 17.7m shares from 23.0m on Friday.

Low-priced shares were the most active, with Pabang down 1.5 cents at 57 cents and Johan 2 cents lower at 98 cents.

The finance sector saw Malayan Banking down 5 cents at S\$57, DBS 5 cents lower at S\$5.85 and UOB down 8 cents at S\$3.56.

Commodities, hotel and properties were also lower and included Seaview, down 10 cents to S\$3.14, Metroplex, which lost 12 cents to S\$1.82. Consolidated Plantations, which closed 5 cents down at S\$2.37, and Harrisons, which shed 4 cents to S\$2.98.

CANADA

THIN trading left Toronto mixed and directionless.

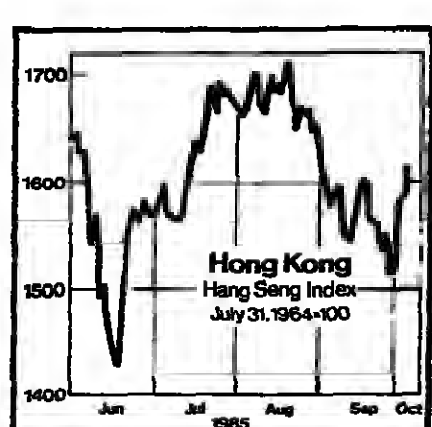
Among actives Inco traded C\$4 lower to C\$18, Nova was down C\$4 at C\$55 and Trimac lost 10 cents to C\$3.30. However, Gulf Canada was unchanged at C\$19 while Dome Petroleum gained 2 cents to C\$2.70 and Barrick Resources added 3 cents to C\$1.95.

Northern Telecom lost a further C\$4 to C\$44 after shedding C\$14 on Friday. Montreal followed the trend in light trading.

SOUTH AFRICA

GOLDS were generally lower in South Africa in spite of a marginal recovery in the bullion price. Vaal Reefs shed R1 to R185.50 and Western Areas was down 10 cents to R7.

Mining financials and other minings mostly held firm, with Anglo American Corporation steady at R32.25, Rustenburg Platinum up 75 cents at R20.75 and De Beers 10 cents higher at R12.20.



HONG KONG

STRONG demand for properties in Hong Kong was sparked by the bid for International City by Hutchison Whampoa and Hongkong Electric.

The rally led the Hang Seng market index 30.32 higher to 1,817.76.

Cheung Kong, which has controlling interests in all three companies, rose 88 cents to HK\$18. HK Electric added 15 cents to HK\$8.05, and Hutchison was up 80 cents at HK\$27.00.

International City, which closed at 88 cents on Friday, was suspended from trading on Monday.

Among other properties Hongkong & Kowloon Wharf added 2 cents to HK\$7.00, and Hongkong Land gained 1 cent to HK\$8.60.

Banks scored well, with Bank East Asia up 4 cents at HK\$21.68, Hang Seng Bank 5 cents higher at HK\$42.75 and Hongkong & Shanghai Bank up 5 cents to HK\$7.20.

EUROPE

Expression of faith at new peak

FOREIGN INVESTORS again demonstrated their confidence in the outlook for West German equities with a round of sustained, early buying which pushed Frankfurt to another record level.

The Commerzbank index reached its fifth peak during the past six trading sessions, clearing the 1,800 barrier with a 12.7 rise to 1,804.9.

The dollar's mild rebound gave the impetus for the foreign buying which centred on export-oriented issues - the focus for most buying interest since the beginning of the year when the index was 486.5 points below its present level.

Trading centred on automotive, banking and chemical issues with several coming down from their peaks as an element of restraint appeared to temper the tone.

Some biotechnologies gained on speculative buying. Teijin finished Y5 higher at Y558 on the second heaviest trading of 8.4m shares. Mitsubishi Chemical rose Y8 to Y498, and Nippon Kayaku added up Y28 to Y854.

The bond market was also lacklustre. Bank dealers grew increasingly cautious, and only small brokerage houses traded lightly in the benchmark 8.8 per cent government bond maturing in December 1994.

Transactions were around a sixth of last week's level when trading was buoyed by the meeting of the Group of Five finance ministers. The yield on the 8.8 per cent government bond declined to 5.595 per cent from Saturday's 5.600 per cent.

Some biotechnologies gained on speculative buying. Teijin finished Y5 higher at Y558 on the second heaviest trading of 8.4m shares. Mitsubishi Chemical rose Y8 to Y498, and Nippon Kayaku added up Y28 to Y854.

The bond market was also lacklustre. Bank dealers grew increasingly cautious, and only small brokerage houses traded lightly in the benchmark 8.8 per cent government bond maturing in December 1994.

Transactions were around a sixth of last week's level when trading was buoyed by the meeting of the Group of Five finance ministers. The yield on the 8.8 per cent government bond declined to 5.595 per cent from Saturday's 5.600 per cent.

Some biotechnologies gained on speculative buying. Teijin finished Y5 higher at Y558 on the second heaviest trading of 8.4m shares. Mitsubishi Chemical rose Y8 to Y498, and Nippon Kayaku added up Y28 to Y854.

The bond market was also lacklustre. Bank dealers grew increasingly cautious, and only small brokerage houses traded lightly in the benchmark 8.8 per cent government bond maturing in December 1994.

Transactions were around a sixth of last week's level when trading was buoyed by the meeting of the Group of Five finance ministers. The yield on the 8.8 per cent government bond declined to 5.595 per cent from Saturday's 5.600 per cent.

Some biotechnologies gained on speculative buying. Teijin finished Y5 higher at Y558 on the second heaviest trading of 8.4m shares. Mitsubishi Chemical rose Y8 to Y498, and Nippon Kayaku added up Y28 to Y854.

The bond market was also lacklustre. Bank dealers grew increasingly cautious, and only small brokerage houses traded lightly in the benchmark 8.8 per cent government bond maturing in December 1994.

Transactions were around a sixth of last week's level when trading was buoyed by the meeting of the Group of Five finance ministers. The yield on the 8.8 per cent government bond declined to 5.595 per cent from Saturday's 5.600 per cent.

Some biotechnologies gained on speculative buying. Teijin finished Y5 higher at Y558 on the second heaviest trading of 8.4m shares. Mitsubishi Chemical rose Y8 to Y498, and Nippon Kayaku added up Y28 to Y854.

The bond market was also lacklustre. Bank dealers grew increasingly cautious, and only small brokerage houses traded lightly in the benchmark 8.8 per cent government bond maturing in December 1994.

Transactions were around a sixth of last week's level when trading was buoyed by the meeting of the Group of Five finance ministers. The yield on the 8.8 per cent government bond declined to 5.595 per cent from Saturday's 5.600 per cent.

Some biotechnologies gained on speculative buying. Teijin finished Y5 higher at Y558 on the second heaviest trading of 8.4m shares. Mitsubishi Chemical rose Y8 to Y498, and Nippon Kayaku added up Y28 to Y854.

AUSTRALIA

Signal from BHP for run to record

THE CLIMB to new peaks continued in Australia - despite the closure of the Sydney exchange for the Labour Day holiday.

Investors were buoyed by the news that Mr Robert Holmes & Court's Bell Group had acquired 10.95 per cent of BHP, and the All Ordinaries index closed at an all-time high of 10,170, up 4.9 on the previous session.

Bell Group ended the day 95 cents higher at A\$11.85 while BHP closed 10 cents up at A\$8.58 after peaking to A\$8.70 during the day.

Elsewhere, the market also continued to react cheerfully to the recent spate of booming profits and the flourishing economy. Among leaders Peko added 10 cents to A\$5.70, Bond Corp 8 cents to A\$2.15, CSR 5 cents to A\$3.62 and Bownville 2 cents to A\$2.00.

Against the trend CRA shed 6 cents to A\$5.90, MIDM was down 5 cents to A\$2.50 and Western Mining lost 2 cents to A\$3.88.

Among banks, Westpac rose 4 cents to A\$5.14, ANZ added 2 cents to A\$5.14 and National Australia was steady at A\$4.90.

Golds were generally quiet with Kidston up 10 cents to A\$5.50 and Central Norseman down 10 cents to A\$8.10.

LONDON

A LACK of enthusiasm gradually eroded initial gains in London, and the FT Ordinary index closed 4.1 down at 1,012.4.

Investors appeared wary ahead of the Conservative Party conference, which started yesterday, and several uninspiring surveys on the UK economy also subdued the market.

Takeover speculation, which helped keep the market alive in some sectors last week, tailed off.

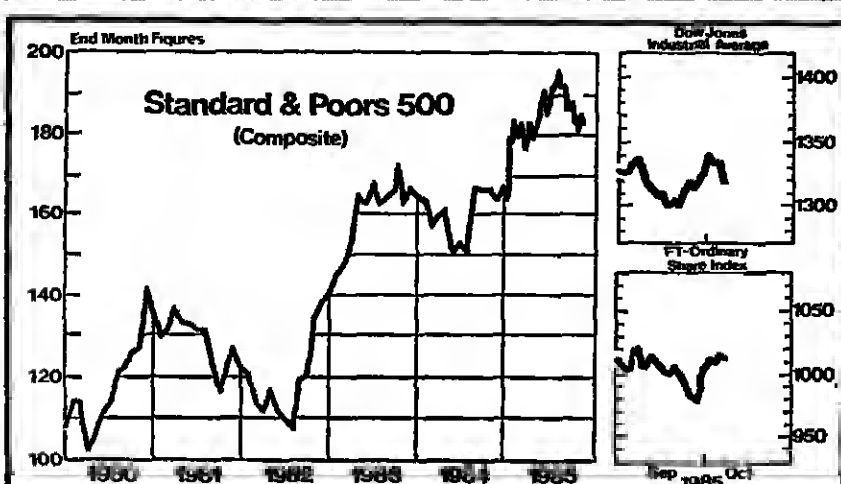
Most active stock was Abbey Life which closed steady at 233p. Other actives included Elgaden Industries, which rose 7p to 110p, and British and Commonwealth Shipping, which added 10p to 282p.

Elsewhere, British Telecom shed 2p to 195p, Exco International gained 2p to 207p and Lowe Howard-Spink added 13p to 308p.

The recent rise in gilts slowed as the market awaited the money statistics. Quotations were 1/4 to 1/2 lower throughout the list.

Chief price changes, Page 35; Details, Page 34; Share information service, Pages 32-33

KEY MARKET MONITORS



STOCK MARKET INDICES			
	Oct 7	Previous	Year ago
NEW YORK			
DJ Industrials	1,320.00	1,328.74	1,182.53
DJ Transport	641.50	647.24	515.03
DJ Utilities	153.83	155.16	138.23
S&P Composite	181.87	183.22	162.88

LONDON			
	Oct 7	Previous	Year ago
FT Ord	1,012.4	1,018.5	866.8
FT-SE 100	1,306.9	1,313.0	1,135.2
FT-Air-Share	635.65	637.94	535.83
FT-A 500	697.67	700.64	582.41
FT Gold mines	287.4	287.3	561.9
FT-A Long gilt	10.19	10.19	10.27

TOKYO			
	Oct 7	Previous	Year ago
Nikkei-Dow	12,792.00	12,750.68	10,737.60
Tokyo SE	1,025.20	1,023.88	838.81

AUSTRALIA			
	Oct 7	Previous	Year ago
All Ord.	1,017.0	1,011.9	749.5
Metals & Mins.	n/a	530.5	462.8

AUSTRIA			
	Oct 7	Previous	Year ago
Credit Aktien	103.34	100.95	56.08

BELGIUM			
	Oct 7	Previous	Year ago
Belgian SE	2,525.85	2,514.2	-

CANADA			
	Oct 7	Previous	Year ago
Toronto	1,854.9	1,851.58	1,984.0
Metals & Mins	2,841.8	2,846.32	2,366.2
Montreal	128.32	128.82	115.82

DENMARK			
	Oct 7	Previous	Year ago
SE	n/a	226.31	173.05

FRANCE			
	Oct 7	Previous	Year ago
CAC Gen	205.0	203.9	180.7
Ind. Tendance	115.1	115.2	97.0

WEST GERMANY			
	Oct 7	Previous	Year ago
FAZ-Aktien	545.31	541.02	364.88
Commerzbank	1,604.9	1,592.2	1,080.8

HONG KONG			
	Oct 7	Previous	Year ago
Hang Seng	1,617.76	1,587.44	974.17

ITALY			
	Oct 7	Previous	Year ago
Banca Com.	n/a	411.23	215.04

NETHERLANDS			
	Oct 7	Previous	Year ago
ANP-CBS Gen	210.2	212.4	174.9
ANP-CBS Ind	185.5	187.9	136.5

NORWAY			
	Oct 7	Previous	Year ago
Oslo SE	373.65	371.98	253.87

SINGAPORE			
	Oct 7	Previous	Year ago
Straits Times	763.59	767.40	670.61

SOUTH AFRICA			
	Oct 7	Previous	Year ago
JSE Golds	-	1,048.5	1,028.1
JSE Industrials	-	968.9	962.2

SPAIN			
	Oct 7	Previous	Year ago
Madrid SE	115.75	114.74	109.11

SWEDEN			
	Oct 7	Previous	Year ago
J & P	1,375.35	1,370.51	1,456.7

SWITZERLAND			
	Oct 7	Previous	Year ago
Swiss Bank Ind	478.4	487.2	373.8

WORLD			
	Oct 4	Prev	Year ago
Capital Int'l	225.1	225.0	181.5

GOLD (per ounce)			
	Oct 7	Prev	Year ago
London	\$326.75	\$327.75	\$327.75
Zurich	\$326.45	\$327.75	\$327.75
Paris (fiding)	\$328.09	\$332.84	\$332.84
Luxembourg	\$326.30	\$331.00	\$331.00
New York (Dec)	\$330.50	\$332.20	\$332.20

COMMODITIES			
	Oct 7	Prev	Year ago
(London)			
Silver (spot fixing)	440.60p	443.85p	443.85p
Copper (cash)	\$993.50	\$978.50	\$978.50
Coffee (Nov)	\$1,582.00	\$1,566.50	\$1,566.50